



**CITY OF
PALOS VERDES ESTATES**

**HOUSING ELEMENT
2021-2029**

**Adopted
May 28, 2024**

Acknowledgements

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I. INTRODUCTION

State law requires the preparation of a Housing Element as part of a jurisdiction's General Plan (*Government Code* §65302(c)). The Element must include the identification and analysis of existing and projected housing needs, and a statement of goals, policies, quantified objectives and scheduled programs for the preservation, improvement and development of housing. The Housing Element must also identify adequate sites for housing and make adequate provision for the existing and projected needs of all economic segments of the community (§65583).

Guidelines adopted by the Department of Housing and Community Development (HCD) must also be considered in the preparation of the Housing Element (§65585). Periodic review of the Housing Element is required to evaluate 1) the appropriateness of its goals, objectives and policies in contributing to the attainment of the state housing goals, 2) its effectiveness in attaining the City's housing goals and objectives and 3) the progress of its implementation (§65588).

A. Purpose of the Housing Element

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a comprehensive, long-term General Plan for the physical development of the city or county. The Housing Element is one of the mandated elements of the General Plan. Housing Element law, first enacted in 1969, requires that local governments plan for the existing and projected housing needs of all economic segments of the community. The law recognizes that in order for the private market to adequately address housing needs, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in California rests largely upon the effective implementation of local General Plans and in particular, local Housing Elements. Housing Element law also requires HCD to review local housing elements for compliance with State law and to report its written findings to local governments.

As mandated by State law, the planning period for this Housing Element extends from 2021 to 2029. This Housing Element identifies strategies and programs that focus on: 1) providing diversity in housing opportunities; 2) maintenance and preservation of the housing stock; and 3) affirmatively furthering fair housing.

The Housing Element consists of the following major components:

- An analysis of the City's demographic and housing characteristics and trends, and housing needs (Chapter II);
- An evaluation of land, financial, and administrative resources available to address the City's housing goals (Chapter III);
- A review of potential constraints, both governmental and non-governmental, to meeting the City's housing needs, and potential impediments to fair housing (Chapter IV); and
- A Housing Action Plan for the 2021-2029 planning period, including housing goals, policies and programs (Chapter V).

A review of the City's accomplishments and progress in implementing the previous Housing Element (Appendix A).

B. Public Participation

State housing law requires local governments to make diligent efforts to achieve public participation of all the economic segments of the community in the development of housing elements. Public participation plays an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan which determines the extent and density of future residential development in the community.

City residents and stakeholders had several opportunities to recommend strategies, review, and comment on the draft Housing Element during its preparation and adoption. The City conducted the following community outreach activities during the Housing Element Update process:

- hosted a total of fourteen public meetings and workshops,
- held two Town Hall meetings
- conducted a City-wide ADU survey
- conducted stakeholder interviews

The City's efforts to encourage public involvement in the preparation of this Housing Element are described in Appendix C.

C. Consistency with Other Elements of the General Plan

The City's General Plan sets forth broad policy guidance in the areas of land use, circulation, conservation, recreation, open space, housing, scenic highways, seismic safety, safety and noise. The various General Plan elements provide a consistent set of policies and programs intended to preserve and enhance the quality of life, while accommodating growth and change in a proactive manner. For example, residential development capacities established in the Land Use Element and constraints to development identified in the Conservation, Open Space and Seismic Safety Elements are reflected in the Housing Element. This Housing Element builds upon the other General Plan elements and is consistent with the policies and proposals set forth by the Plan. As the General Plan is amended from time to time, the City will review the Housing Element to ensure consistency among all elements, and make any necessary revisions.

State law requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. These providers were included in City notices regarding the Housing Element update and a copy of the Housing Element was provided to these agencies upon adoption.

II. HOUSING NEEDS ASSESSMENT

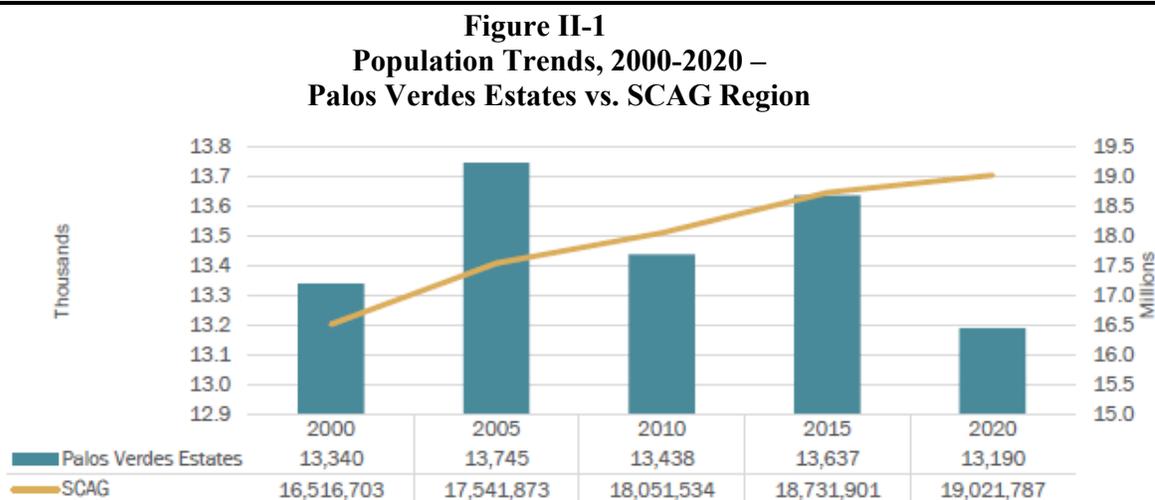
This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the city’s projected housing needs based on the 2021-2029 Regional Housing Needs Assessment (RHNA) are examined.

The Housing Needs Assessment utilizes recent data from the U.S. Census, California Department of Finance (DOF), California Employment Development Department (EDD), Southern California Association of Governments (SCAG), and other relevant data sources.

A. Population Characteristics

1. Population Growth Trends

The city of Palos Verdes Estates declined slightly in population during the 2000-2020 period (Figure II-1). This contrasts dramatically with the SCAG region, which had an average annual growth rate of 0.7% during the same period. As an essentially built-out city, there have been few opportunities for growth, except through infill.



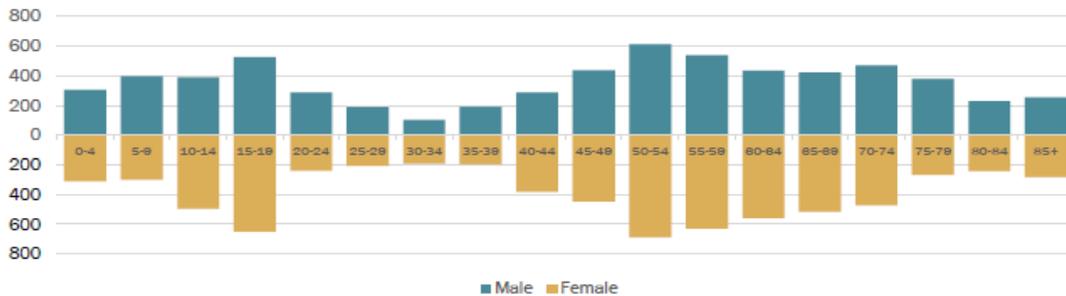
CA DOF E-5 Population and Housing Unit Estimates

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

2. Age

Age characteristics of the population influence housing needs. Different age groups have different housing needs based on lifestyles, family types, income levels, and housing preference. Figure II-2 shows estimates of the city’s population by age group and gender. The population of Palos Verdes Estates is 47.7% male and 52.3% female. The share of the population of Palos Verdes Estates under 18 years of age is 22.7%, which is slightly lower than the regional share of 23.4%. Seniors (65 and above) make up 26.2% of the population, which is substantially higher than the regional share of 13%. An aging population has implications regarding the type and size of future housing needs, as well as accessibility.

**Figure II-2
Age Distribution –
Palos Verdes Estates**



American Community Survey 2014-2018 5-year estimates

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

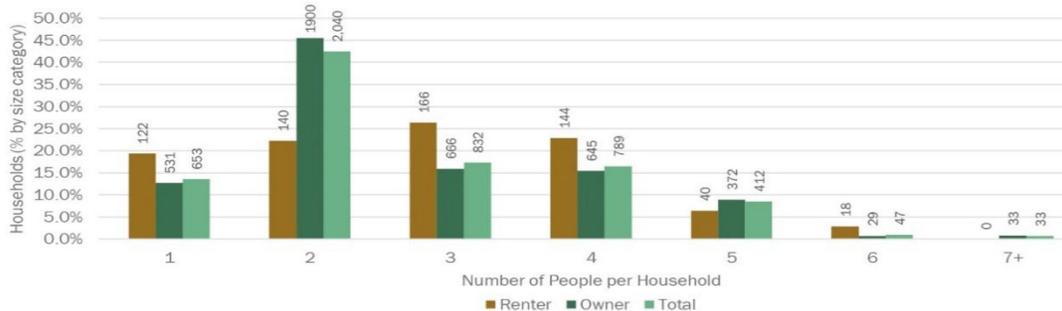
B. Household Characteristics

1. Household Size

Household characteristics are important indicators of the type and size of housing needed in a city. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit. Persons in group quarters such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals but are not considered households.

Figure II-3 illustrates the range of household sizes in Palos Verdes Estates for owners, renters, and overall. The most commonly occurring household size is two people (42.4%) and the second-most commonly occurring household is three people (17.3%). Palos Verdes Estates has a lower share of single-person households than the SCAG region overall (13.6% vs. 23.4%) and a lower share of 7+ person households than the SCAG region overall (0.7% vs. 3.1%).

**Figure II-3
Household Size by Tenure –
Palos Verdes Estates**



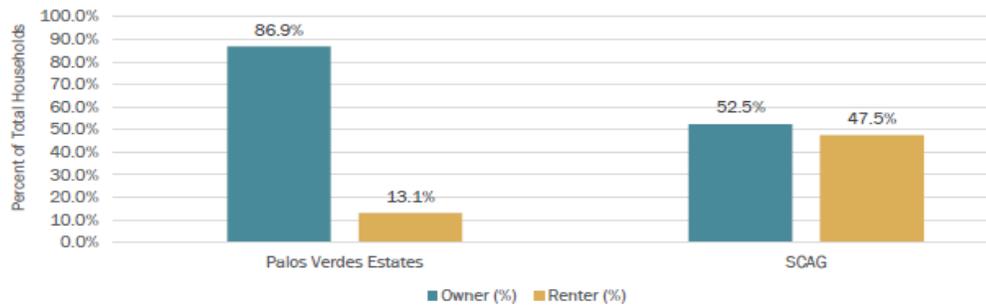
American Community Survey 2014-2018 5-year estimates.

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2. Housing Tenure

Housing tenure (owner vs. renter) is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for sale to accommodate a range of households with varying incomes, family sizes and composition, and lifestyles. Figure II-4 provides recent estimates of the number of owner-occupied and renter-occupied units in the city as compared to the SCAG region as a whole and reveals a high level of homeownership in the city.

**Figure II-4
Household Tenure –
Palos Verdes Estates vs. SCAG Region**



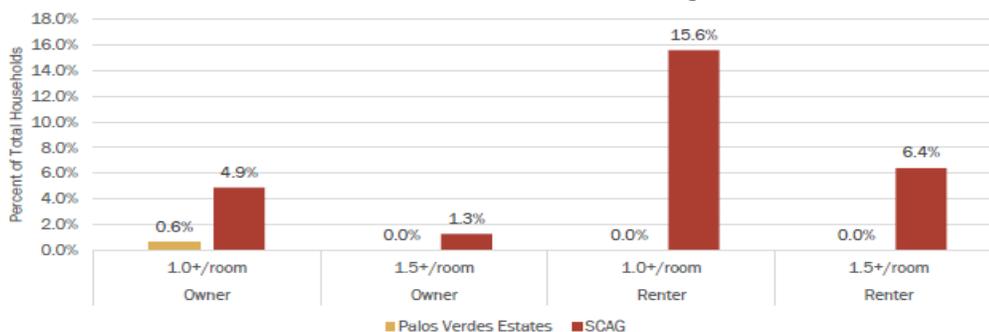
American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

3. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, and classifies severe overcrowding as more than 1.5 residents per room. Overcrowded households are usually a reflection of the lack of affordable housing. Figure II-5 summarizes recent Census estimates of overcrowding for Palos Verdes Estates compared to the SCAG region as a whole. This table shows that overcrowding is much less prevalent in Palos Verdes Estates than the regional average. There is more than one bedroom per resident in the city of Palos Verdes Estates.

**Figure II-5
Overcrowding –
Palos Verdes Estates vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

4. Overpayment

According to State housing policy, overpaying occurs when housing costs exceed 30% of gross household income. Figure II-6 displays recent HUD estimates for overpayment for households in Palos Verdes Estates. HUD Area Median Family Income (HAMFI) refers to the median household income within Los Angeles County. This figure shows that overpayment is most prevalent for households at the extremely low and very-low income levels. For lower-income households, overpayment can require families to double up resulting in overcrowding and related problems.

**Figure II-6
Overpayment by Income Category – Palos Verdes Estates**

Income	Households by Share of Income Spent on Housing Cost:		
	< 30%	30-50%	> 50%
< 30% HAMFI	55	25	170
30-50% HAMFI	59	30	155
50-80% HAMFI	120	20	138
80-100% HAMFI	70	60	65
> 100% HAMFI	3,090	535	185
Total Households	3,394	670	713

HUD CHAS, 2012-2016.

HAMFI refers to Housing Urban Development Area Median Family Income.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Extremely-Low-Income Households

State law requires quantification and analysis of existing and projected housing needs of extremely low-income (ELI) households. Extremely-low-income is defined as households with income less than 30% of area median income (\$80,000 for Los Angeles County). Households with extremely-low-income have a variety of housing situations and needs, such as overpayment and overcrowding.

Recent HUD estimates (Figure II-7) reported that approximately 295 extremely-low-income households resided in Palos Verdes Estates, representing about 6% of all households. Approximately 18.7% of renter-occupied households had extremely low incomes compared to only 4.3% of owner-occupied units.

The resources and programs to address this need are the same as for low-income households in general and are discussed throughout the Housing Element, and particularly Chapter V, Housing Action Plan. The needs of extremely-low-income households overlap extensively with other special needs groups, and further analysis and discussion of special needs households can also be found in Chapter IV, Constraints, Section A.1.d. Special Needs Housing. Programs to address the needs of extremely-low-income households and persons with special needs are described in Chapter V (Housing Plan) and include:

- Program 3 (Encourage and facilitate mixed commercial and residential use in commercial areas);
- Program 5 (Continue efforts to streamline the development process to the extent feasible);
- Program 8 (Continue to implement density bonus incentives consistent with State law);
- Program 9 (Encourage shared housing programs for seniors and existing one-person households); and

- Program 11 (Emergency shelters, transitional/supportive housing, community care facilities, SROs, agricultural employee housing, and reasonable accommodation for persons with disabilities).

**Figure II-7
Extremely-Low-Income Households by Race/Ethnicity and Tenure – Palos Verdes Estates**

	Total Households	Households below 30% HAMFI	Share below 30% HAMFI
White, non-Hispanic	3,525	210	6.0%
Black, non-Hispanic	45	0	0.0%
Asian and other, non-Hispanic	910	45	4.9%
Hispanic	330	35	10.6%
TOTAL	4,810	290	6.0%
Renter-occupied	615	115	18.7%
Owner-occupied	4,195	180	4.3%
TOTAL	4,810	295	6.1%

HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

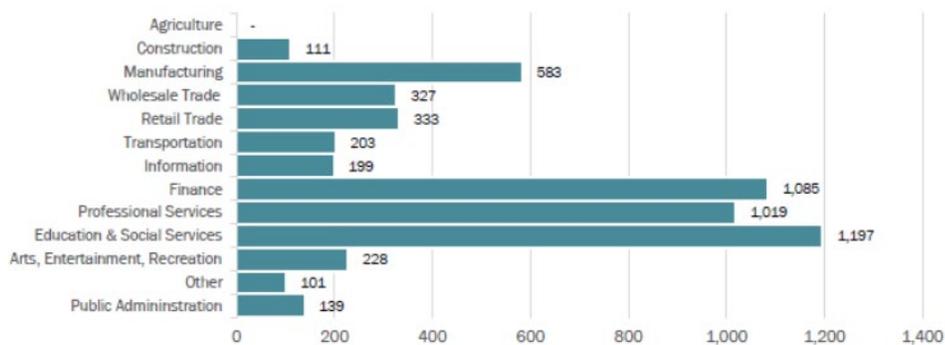
C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

1. Current Employment

Employment characteristics have a significant influence on housing needs during this planning period. Figure II-8 shows recent estimates of employment by industry for city residents. Education & Social Services, Finance, and Professional Services were the most common occupational industries for city residents.

**Figure II-8
Employment by Industry –
Palos Verdes Estates**

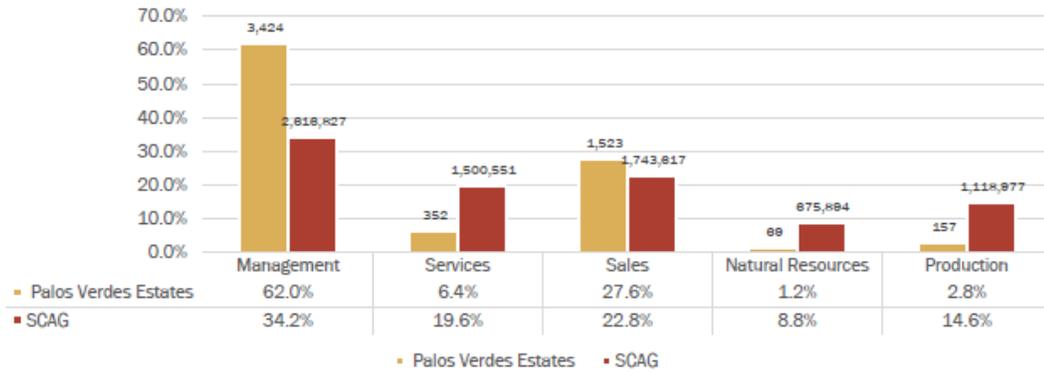


American Community Survey 2014-2018 5-year estimates using groupings of 2-digit NAICS codes.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Recent data indicates that approximately 62% of the city’s working residents were employed in management occupations while about 28% were in sales or related fields (Figure II-9). Only about 6% of workers were employed in service occupations while employment in the natural resources and production occupations constituted only about 1% and 3% of the workforce, respectively.

**Figure II-9
Employment by Occupation – Palos Verdes Estates vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates using groupings of SOC codes.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

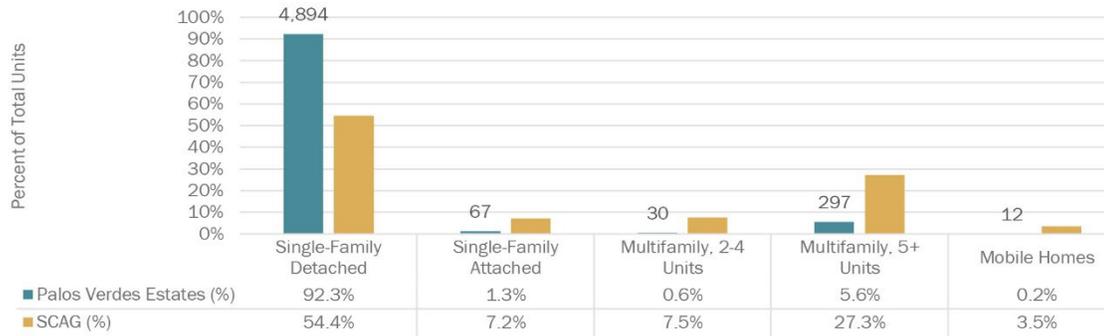
D. Housing Stock Characteristics

This section reviews the characteristics of the community’s housing stock and helps in identifying and prioritizing needs. The factors evaluated include the number and type of housing units, age and condition, tenure, vacancy, housing costs, affordability, and assisted affordable units at-risk of loss due to conversion to market-rate. A housing unit is defined as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

1. Housing Type and Vacancy

Per recent data, the housing stock in Palos Verdes Estates is comprised mostly of single-family homes, which make up about 92% of all units. Multifamily and mobile homes comprise the remaining 8%. Figure II-10 provides a breakdown of the housing stock by type.

**Figure II-10
Housing by Type –
Palos Verdes Estates vs. SCAG Region**

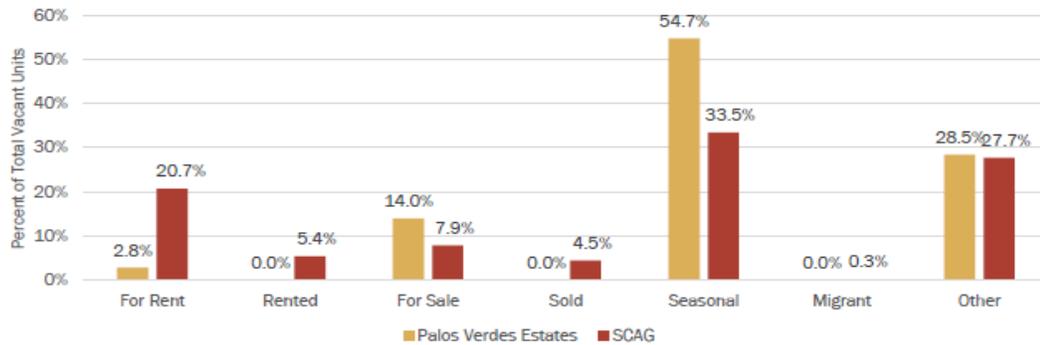


CA DOF E-5 Population and Housing Unit Estimates

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Vacancy characteristics for the city are shown in Figure II-11. The largest category of vacant units - about 55% of all vacant units – were reported as “seasonal” which indicates second homes.

**Figure II-11
Vacant Units by Type –
Palos Verdes Estates vs. SCAG Region**



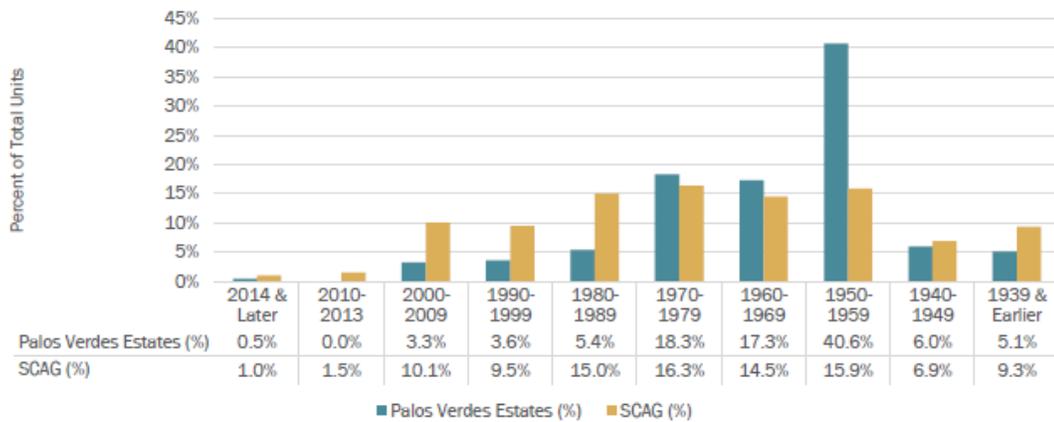
American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

2. Housing Age and Condition

Housing age is often an important indicator of housing conditions. Housing units built prior to 1978, before stringent limits on the amount of lead in paint were imposed, may have interior or exterior building components coated with lead-based paint. Housing units built before 1970 are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Lead-based paint becomes hazardous to children under age six and to pregnant women when it peels off walls or is pulverized by windows and doors opening and closing. Figure II-12 shows the age distribution of the housing stock in Palos Verdes Estates compared to the SCAG region as a whole as reported in recent Census estimates.

**Figure II-12
Housing Units by Year Structure Built –
Palos Verdes Estates vs. SCAG Region**



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

This table shows that over two-thirds of the housing units in Palos Verdes Estates were constructed prior to 1970. Statistics indicating that a significant portion of the housing stock is more than 30 years old would often indicate a growing need for maintenance and rehabilitation. Due to the age of much of the housing stock it is likely that many of the homes contain lead-based paint and would require rehabilitation. However, housing units in the City are generally well-maintained. As of 2021, it was estimated through a windshield survey that approximately 56 housing units in the City were in need of moderate rehabilitation, however at the time of this writing, no units were identified as structurally deteriorated and/or in need of replacement. There were 114 construction permits issued in the last planning period. Construction permits were limited to rebuilds, additions, ADUs, roofing, fences and mechanical equipment on side yards. The high household incomes and housing values in the city results in few properties actually falling into disrepair, and therefore the need for public assistance with maintenance and rehabilitation is considered to be very low.

3. Housing Cost

a. Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income (“AMI”): extremely-low (30% or less of AMI), very-low (31-50% of AMI), low (51-80% of AMI), moderate (81-120% of AMI) and above moderate (over 120% of AMI). Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development (HCD), housing is considered “affordable” if the monthly payment is no more than 30% of a household’s gross income. In Los Angeles County, these income limits are increased to adjust for high housing costs.

Table II-1 shows current (2021) affordable rent levels and estimated affordable purchase prices for housing in Los Angeles County by income category. Based on State standards, the maximum affordable monthly rent for extremely-low-income households is \$886, while the maximum affordable rent for very-

low-income households is \$1,478. The maximum affordable rent for low-income households is \$2,365, while the maximum for moderate-income households is \$2,400.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates and qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table II-1 have been estimated based on typical conditions.

**Table II-1
Income Categories and Affordable Housing Costs –
Los Angeles County**

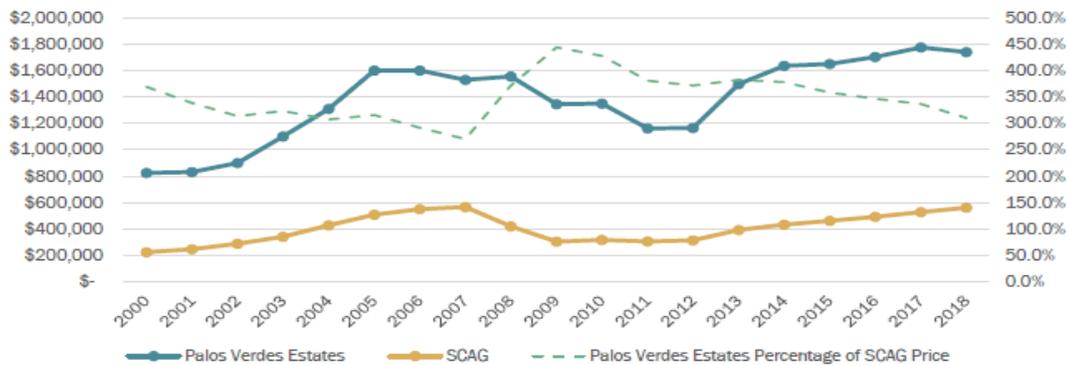
2021 County Median Income = \$80,000	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$35,450	\$886	*
Very Low (31-50%)	\$59,100	\$1,478	*
Low (51-80%)	\$94,600	\$2,365	*
Moderate (81-120%)	\$96,000	\$2,400	\$375,000
Above moderate (120%+)	>\$96,000	>\$2,400	>\$375,000+

Assumptions:
 -Based on a family of 4 and 2021 State income limits
 -30% of gross income for rent or principal, interest, taxes & insurance plus utility allowance
 -10% down payment, 3.75% interest, 1.25% taxes & insurance, \$300 HOA dues
 * For-sale affordable housing is typically at the moderate-income level
 Source: Cal. HCD; JHD Planning LLC

b. For-Sale Housing

Median home prices during the 2000-2018 period for Palos Verdes Estates and the SCAG region as a whole are shown in Figure II-13. During this period sales prices in Palos Verdes Estates increased 111% while prices in the SCAG region increased 151%. The 2018 median home sales price in Palos Verdes Estates was \$1,740,000. I. A.1.a shows monthly mortgage costs for households with a mortgage in Palos Verdes Estates compared to the SCAG region as a whole. These statistics show that typical sales prices in the city are significantly higher than most low- and moderate-income households can afford.

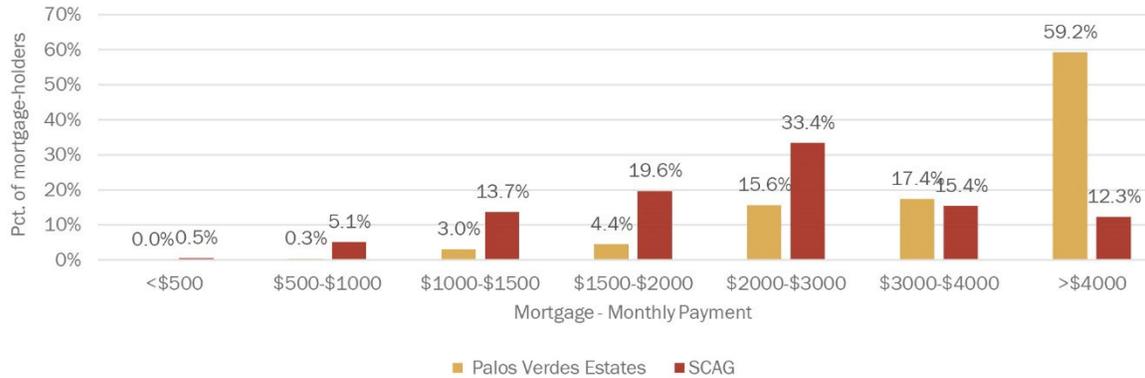
**Figure II-13
Median Sales Price for Existing Homes –
Palos Verdes Estates vs. SCAG Region**



SCAG Local Profiles, Core Logic/Data Quick. SCAG median home sales price calculated as household-weighted average of county medians.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Figure II-14
Monthly Owner Costs for Mortgage Holders –
Palos Verdes Estates vs. SCAG Region



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

c. Rental Housing

Recent estimates of monthly housing costs for Palos Verdes Estates renters are shown in Figure II-15 while Figure II-16 shows the percentage of income spent on rent by income category. When these rents are compared to affordable housing costs (Table II-1), it is clear that low- and moderate-income households have a difficult time finding rental housing without overpaying.

Palos Verdes Estates renter households' cash rent paid can be broken down by household incomes as shown in Figure II-17. The general trend is that lower-income households spend less on rent while higher-income households spend more on rent, though this may not be universally true. Rent categories range from less than \$500 per month (0% of Palos Verdes Estates renters) to more than \$2000 per month (83.1% of Palos Verdes Estates renters). The most common rent category in Palos Verdes Estates is over \$2000 per month with 83.1% of renters spending over \$2,000 per month on rent. However, it should be noted that rental listings in first quarter 2023 indicate monthly rents from \$2,400 per month for a 1 bedroom, 1 bathroom, 655 sf apartment unit to \$14,900 per month for a 6-bedroom, 8-bathroom, 7,960 sf house¹. The average monthly rent in Palos Verdes Estates as of first quarter 2023 was \$7,095.

¹ Zillow, February 15, 2023

Figure II-15
Percentage of Income Spent on Rent – Palos Verdes Estates

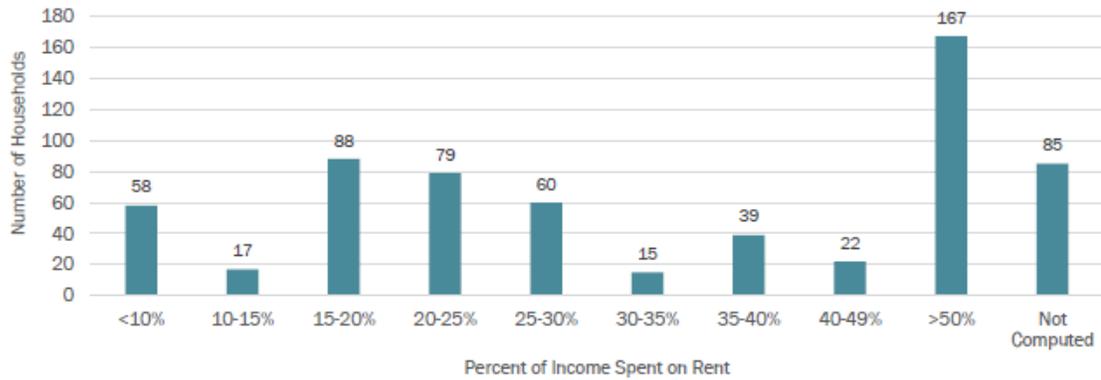
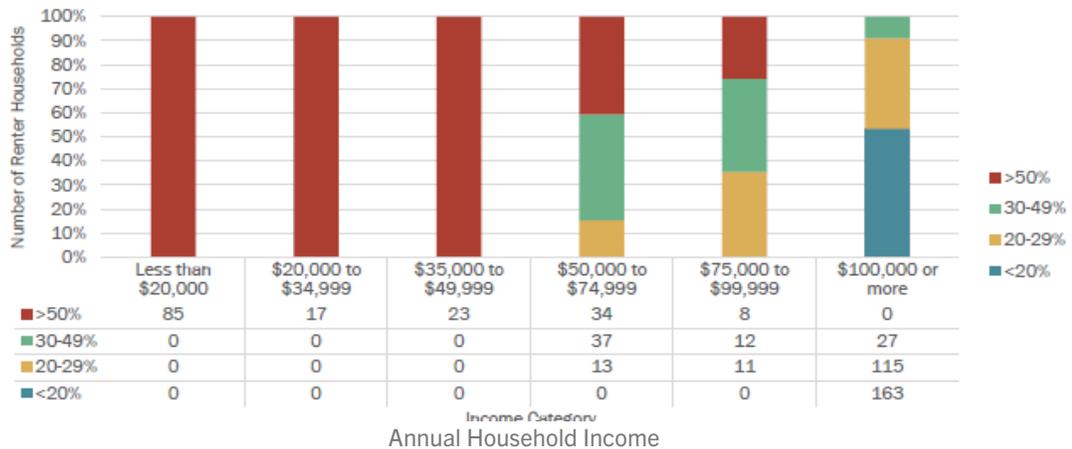


Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Figure II-16
Spending on Rent by Income Category – Palos Verdes Estates



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Figure II-17
Household Income by Average Rent – Palos Verdes Estates



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

E. Special Needs

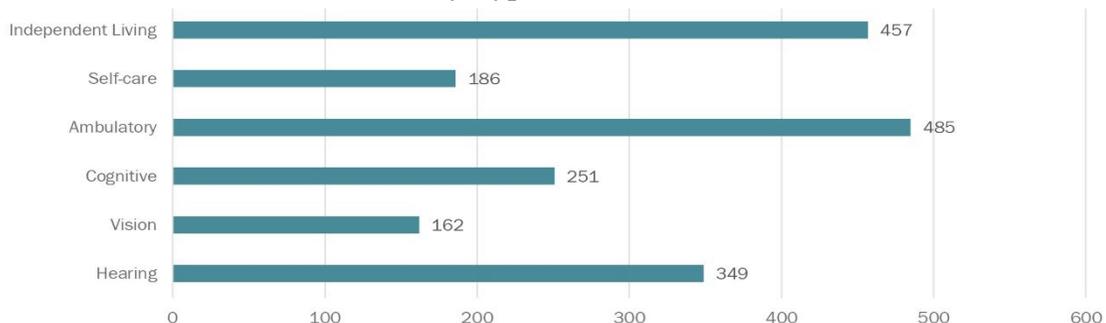
Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one’s employment and income, family characteristics, disability, or other conditions. As a result, some Palos Verdes Estates residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines “special needs” groups to include persons with disabilities, the elderly, large households, female-headed households with children, homeless people, and farm workers. This section contains a discussion of the housing needs facing each of these groups.

1. Persons with Disabilities

Recent Census estimates regarding persons with disabilities in Palos Verdes Estates are shown in Figure II-18. The most common types of disabilities were ambulatory and independent living.

Figure II-18
Disabilities by Type – Palos Verdes Estates



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Figure II-19 shows the employment status for persons with disabilities. Just over half of those reporting a disability were employed.

Figure II-19
Disabilities by Employment Status – Palos Verdes Estates

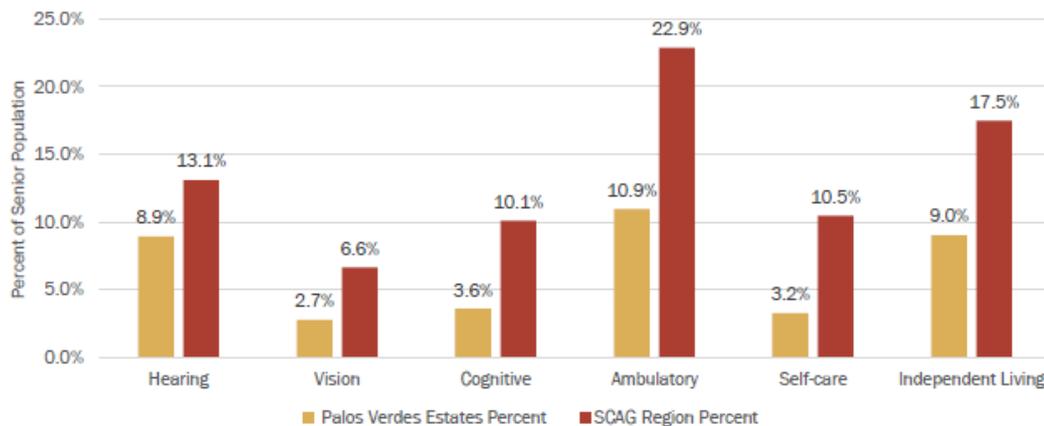
	With a Disability	Percent of Total	No Disability	Percent of Total
Employed	125	51%	4,442	67%
Unemployed	0	0%	181	3%
Not in Labor Force	119	49%	2,052	31%
TOTAL	244		6,675	

American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Disability estimates for seniors (age 65+) in Palos Verdes Estates compared to the SCAG region as a whole are shown in Figure II-20. This table shows that the most common type of disability for seniors is ambulatory, which affects about 11% of seniors in Palos Verdes Estates and 23% of seniors in the region.

Figure II-20
Disabilities by Type for Seniors 65+ – Palos Verdes Estates



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Housing opportunities for those with disabilities can be improved through housing assistance programs and universal design features such as widened doorways, ramps, lowered countertops, single-level units, and ground floor units.

In July 2014, the Palos Verdes Estates City Council adopted Ordinance O14-709, amending the Palos Verdes Estates Municipal Code (PVEMC) by adding Chapter 17.44 (Reasonable Accommodation) to Title 17 (Zoning Procedures) to set forth the procedures to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Federal Fair Housing Amendments Act of 1988 (42 U.S.C. §3601 et seq.), and the California Fair Employment and Housing Act (Cal. Gov't Code §12900

et seq.), as any of these statutory provisions now exist or may be amended from time to time (collectively, the "Fair Housing Laws") in the application of zoning laws and other land use regulations, policies and procedures.

Further, Ordinance O14-709 added Chapter 18.72 Special Development Standards to Title 18 (Zoning Regulations) to PVEMC setting forth standards for the establishment and operation of emergency shelter facilities in Commercial Zones. Specific standards of all shelters within Palos Verdes Estates' Emergency Shelter Overlay include:

- a) Maximum length of stay: six months (defined in State law).
- b) Maximum number of beds: up to 15.
- c) Parking: one (1) one space per (4) four beds, plus one space for each staff person on duty.
- d) Separation from other shelters: 300 feet (maximum permitted by state law).
- e) Management Plan: site-specific information that describes established hours of operation, staffing levels, maximum length of stay, size and location of exterior and interior on-site waiting and intake areas, and security procedures etc. Staging for drop-off, intake and pick-up should take place inside the building, at a rear or side entrance, or inner courtyard. Shelters must provide a storage area for refuse and recyclables that is enclosed by a six-foot-high landscape screen, solid wall, or fence, which is accessible to collection vehicles on one side. The storage area must be large enough to accommodate the number of bins that are required to provide the facility with sufficient service so as to avoid the overflow of material outside of the bins provided.

Developmental Disabilities

As defined by federal law, "developmental disability" means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency;
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

Examples of developmental disabilities include cerebral palsy, epilepsy, and autism. The Decennial Census does not record developmental disabilities as a separate category of disability, but the American Community Survey breaks out disabilities by difficulty type. Figure II-18 above describes the number of people in Palos Verdes Estates with disabilities related to independent living (457), self-care (186), walking (485), cognition (251), vision (162), and hearing (349). Some people have multiple types of disabilities. The total number of persons with disabilities in Palos Verdes Estates as of 2018 is 1,088, with a margin of error of 209 (American Community Survey Table S1810 2018 5-year estimates).

According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) provides community-based services to persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Harbor Regional Center (HRC; <http://www.harborrc.org/>), with offices in Torrance and Long Beach, provides services for people with developmental disabilities on the Palos Verdes Peninsula, including Palos Verdes Estates. The HRC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

There is no charge for diagnosis and assessment for eligibility. Once eligibility is determined, most services are free regardless of age or income. There is a requirement for parents to share the cost of 24-hour out-of-home placements for children under age 18. This share depends on the parents' ability to pay. There may also be a co-payment requirement for other services.

Regional centers are required by law to provide services in the most cost-effective way possible. They must use all other resources, including generic resources, before using any regional center funds. A generic resource is a service provided by an agency that has a legal responsibility to provide services to the general public and receives public funds for providing those services. Some generic agencies may include the local school district, county social services department, Medi-Cal, Social Security Administration, Department of Rehabilitation and others. Other resources may include natural supports, which refers to help that disabled persons may get from family, friends, or others at little or no cost.

According to its latest Fact Sheet² the HRC provides services to more than 15,000 people with developmental disabilities and their families. About 19% are between birth and 2 years of age and are served under the early intervention program while 33% are between the age of 3 and 18 years of age and 48% are adults over 18 years of age. Most of HRC's clients - about 87% - live at home with families. An additional 7% live in some type of licensed home in the community and about 6% live on their own with supports.

2. Elderly

According to recent HUD estimates, there were 2,015 owner households and 110 renter households in Palos Verdes Estates where the householder was 65 or older (Figure II-21) and about 20% of elderly households were in the lower-income categories. Some elderly homeowners may be physically unable to maintain their homes or cope with living alone. In areas where elderly persons are living in poverty, housing needs can be addressed through smaller units, accessory dwelling units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

² https://www.harborrc.org/sites/main/files/file-attachments/aboutclientsfam_r0313_2.pdf?1579201318

**Figure II-21
Elderly Households by Income and Tenure**

		Owner	Renter	Total	Percent of Total Elderly Households:
Income category, relative to surrounding area:	< 30% HAMFI	120	15	135	6.4%
	30-50% HAMFI	135	0	135	6.4%
	50-80% HAMFI	125	25	150	7.1%
	80-100% HAMFI	95	45	140	6.6%
	> 100% HAMFI	1,540	25	1,565	73.6%
TOTAL		2,015	110	2,125	

HUD CHAS, 2012-2016. HAMFI refers to Housing Urban Development Area Median Family Income.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

The Palos Verdes Estates Police Department runs a program called PVE CARES, which is a resource to protect senior citizens from elder abuse and connect them to other resources, like the Alzheimer’s Association and H.E.L.P., a help line for aging-related legal challenges. Under the PVE CARES program, the Police Department maintains a reference file with the names and addresses of Palos Verdes Estates residents above the age of 65. Volunteers visit these residents, ask about their needs, and connect them with existing organizations that can help them with their particular needs, if necessary. The goal for PVE CARES is to act as a referral hub between law enforcement and other agencies, while providing safety, comfort, dignity, and education for senior citizens.

Additionally, the following State and County-sponsored programs are available.

Friendship Line California. Friendship Line California is toll-free and available to provide emotional support to older Californians facing loneliness, isolation and anxiety. Friendship Line can provide a warm voice, a listening ear, and a human connection to those feeling alone throughout California. Friendship Line is available at all times. ioaging.org/friendship-line-california.

H.E.L.P - Helping the Elderly Live Productively. H.E.L.P. is a nonprofit organization with a mission to offer resources and information to answer questions and give prioritized direction on where to turn for help. Their office is at 1404 Cravens Ave Torrance, CA 90501.

L.A. Found (Project Lifesaver). LA County has partnered with Project Lifesaver to provide a voluntary system of trackable bracelets for those living with Alzheimer’s, dementia or autism. When an individual wearing a bracelet goes missing, the Los Angeles County Sheriff’s Department deploys a specially equipped team to assist with search and rescue. lafound.lacounty.gov.

Home Share South Bay. Palos Verdes Estates has partnered with Silvernest for Home Share South Bay. Home Share South Bay helps compatible homeowners and renters find each other and provides homesharing support. silvernest.com/SouthBay.

3. Large Households

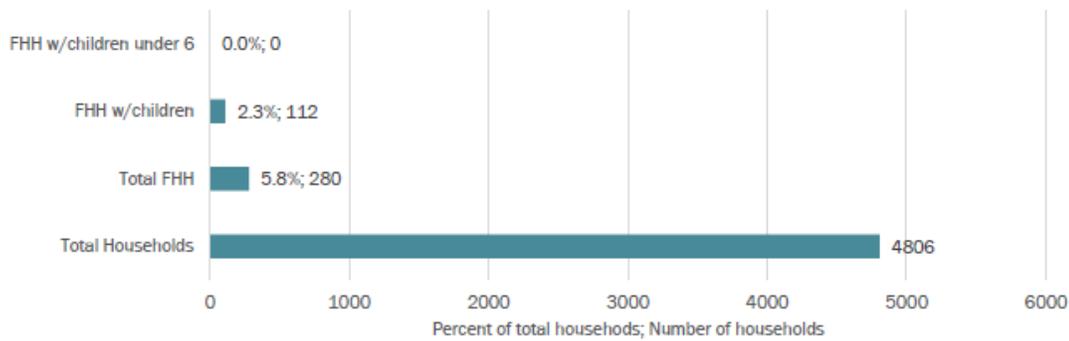
Household size is an indicator of the need for large units. Large households are defined as those with five or more members. As shown previously in Figure II-3, recent Census data estimated that about 10% of all

households in the city have five or more members. This distribution suggests that the need for large units with four or more bedrooms in Palos Verdes Estates is expected to be significantly less than for smaller units. Homes in the City are relatively large, there is little to no overcrowding and there is a low number of large households; therefore, Large Household are not considered a special needs group within the city. Larger households will continue to be housed in the city’s larger single-family homes.

4. Female-Headed Households

State statute requires analysis of specialized housing needs including female-headed households in an effort to ensure adequate childcare or job training services. Recent Census estimates reported that about 5.8% of households in Palos Verdes Estates were headed by a female and about 2.3% of households were female-headed with children (Figure II-22). Approximately 0.6% of all households were female-headed and below the poverty line (Figure II-23). While female-headed households represent a small portion of households in Palos Verdes Estates, they can face difficult challenges succeeding with work and childcare responsibilities.

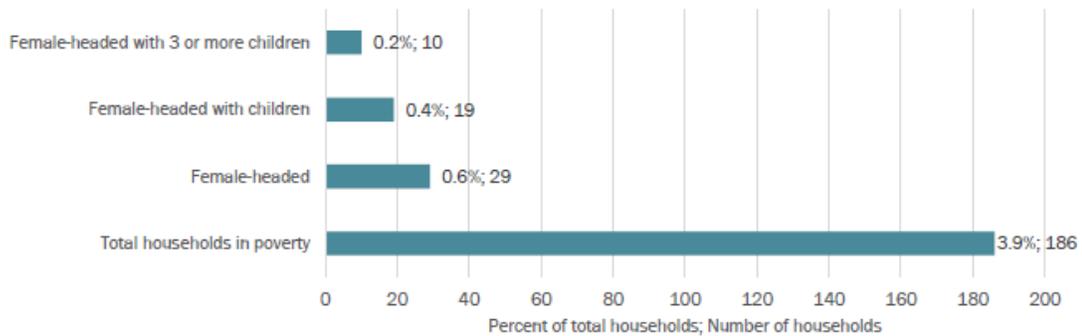
Figure II-22
Female Headed Households (FHH) – Palos Verdes Estates



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

Figure II-23
Female Headed Households by Poverty Status – Palos Verdes Estates



American Community Survey 2014-2018 5-year estimates.

Chart Developed by SCAG and pre-certified by the California Department of Housing and Community Development (HCD)

5. Farm Workers

Farm worker households are considered a special needs group due to their transient nature and the lower incomes typically earned by these households. Migrant workers, and their places of residence, are generally located in close proximity to agricultural areas providing employment. No significant agricultural activities are found in Palos Verdes Estates, and recent Census data published by SCAG³ did not identify any farm workers residing in Palos Verdes Estates.

6. Homeless Persons

The U.S. Department of Housing and Urban Development (HUD) defines the term “homeless” as the state of a person who lacks a fixed, regular, and adequate night-time residence, or a person who has a primary nighttime residency that is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides a temporary residence for individuals intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.⁴

Although there are myriad causes of homelessness, among the most common are:

- Substance abuse and alcohol;
- Domestic violence; and
- Mental illness.

Homelessness is a regional problem best dealt with on a regional or countywide scale. Los Angeles County’s focus is to provide funding for access to mainstream resources such as income supports, health care, mental health care, substance abuse treatment programs, childcare, and job training placement.⁵ These resources serve the existing homeless population and also work toward the prevention of homelessness.

According to the 2020 Homeless Count Report⁶ by the Los Angeles Homeless Services Authority (LAHSA), it is estimated that 66,436 persons were homeless in Los Angeles County at the time of the survey. Palos Verdes Estates is located within the Los Angeles Homeless Services Authority’s (LAHSA) Service Planning Area (SPA) 8 – South Bay (see Figure II-24). The 2020 homeless count reported 6,594 homeless persons in SPA 8 and no homeless persons in Palos Verdes Estates.

There are no emergency shelters in Palos Verdes Estates, however there are facilities in San Pedro and Wilmington, which are less than five miles away. Harbor Rose Lodge in San Pedro provides homeless support services for individuals and families in Los Angeles County, with no geographic restrictions. It assists with temporary housing and provides support services and referrals. Harbor Interfaith in San Pedro offers a 90-day emergency shelter and an 18-month transitional housing program. Other San Pedro resources include Shawl House and House of Hope which provide shelter, transitional housing and counseling specifically for women. The Doors of Hope Shelter in Wilmington provides services to single

³ <https://scag.ca.gov/local-housing-data>

⁴ Stewart B. McKinney Act, 42 U.S.C. §11301, et seq. (1994)

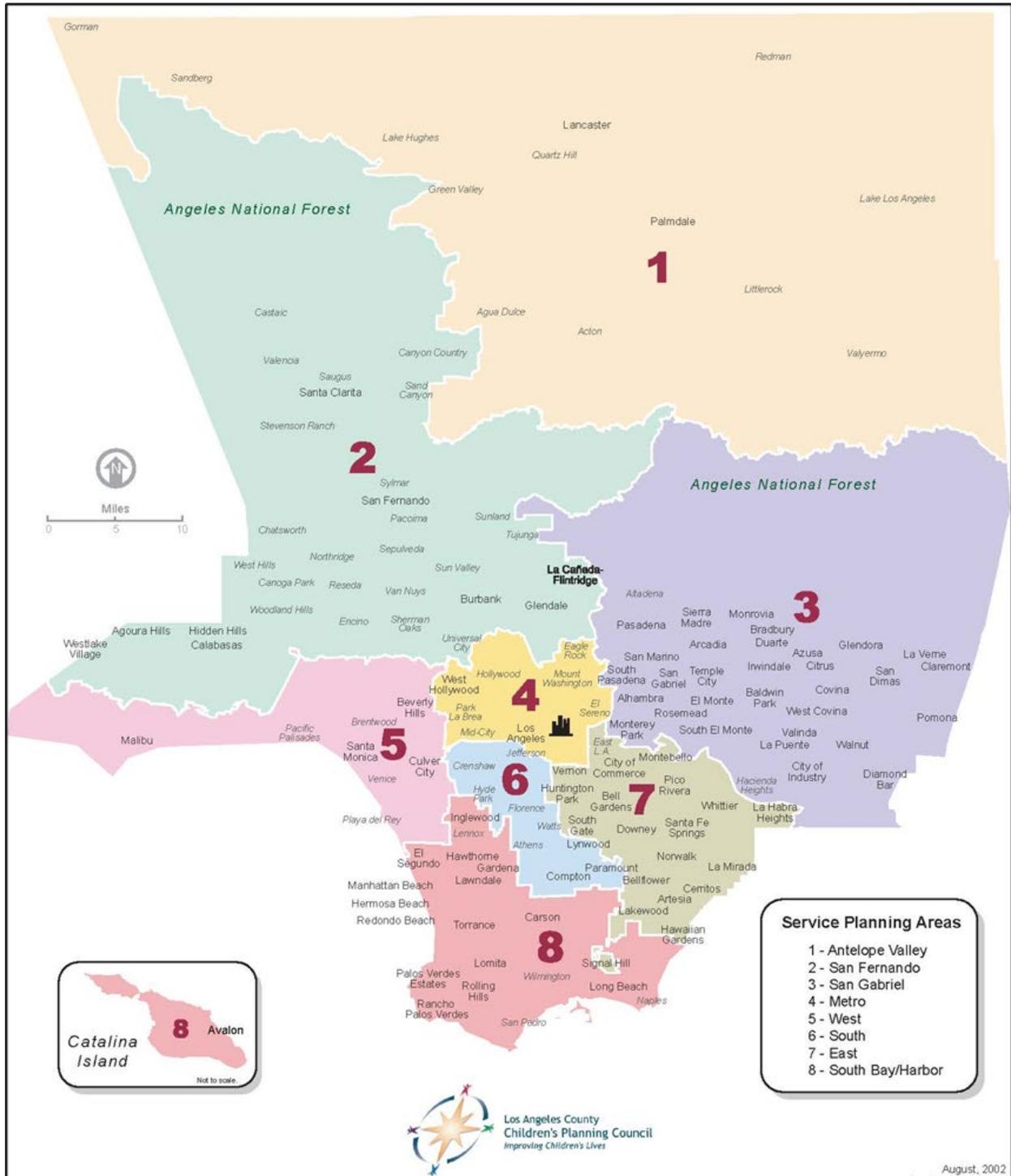
⁵ Los Angeles County Housing and Community Development Consolidated Plan, page 5-21

⁶ <https://www.lahsa.org/data?id=45-2020-homeless-count-by-community-city>

women. The Beacon Light Mission in Wilmington provides food, clothing, and supportive services to men, women, and children and also has a 10-bed men's shelter.

Program 11 calls for a zoning amendment allowing emergency shelters "by right" in the Mixed-Use Overlay Zone. The overlay zone sites include land that provide opportunities for emergency shelter or supportive service facilities.

**Figure II-24
Los Angeles County Homeless Service Planning Areas**



F. Assisted Housing at Risk of Conversion

State law requires that the Housing Element report assisted affordable units that are at risk of conversion to market rate housing during the next ten years. However, according to SCAG and the California Housing Partnership Corporation there are no assisted affordable units in Palos Verdes Estates.

G. Low- and Moderate-Income Housing in the Coastal Zone

Section 65590 of the California Government Codes provides for the preservation and production of low- and moderate-income housing in the Coastal Zone. Section 65590 requires the inclusion of low- or moderate-income housing in new residential development in the Coastal Zone where feasible. It also contains requirements for replacement of low- and moderate-income housing within the Coastal Zone when such housing is demolished or converted to other uses.

Government Code §65590(b)(3) states that replacement housing must be provided only where feasible if the local jurisdiction has less than 50 acres, in aggregate, of privately-owned, vacant land which is available for residential use. The city of Palos Verdes Estates currently has well below 50 acres of vacant land available for residential use citywide, of which less than 5 acres is in the Coastal Zone.

In accordance with Government Code §65588(c) housing elements must take into account any low- or moderate-income housing provided or required pursuant to §65590. Section 65588(d) provides a framework for the analysis.

The city has not lost any low- or moderate-income dwellings for demolition. Because new housing in the Coastal Zone consists only of development or redevelopment of single-family lots, it is not feasible to require inclusionary units, and none have been required. Thus, no low- or moderate-income housing units have been provided or lost in the coastal zone pursuant to §65590.

H. Future Housing Needs

1. Overview of the Regional Housing Needs Assessment

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for future housing needs. The RHNA quantifies the anticipated need for housing within each jurisdiction for the 2021 to 2029 period, also referred to as the “6th cycle” in reference to the six RHNA cycles that have occurred since the comprehensive revision of State Housing Element law in 1980. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

Southern California Association of Governments (SCAG) adopted the current RHNA in March 2021. The forecasted growth in households in a community and existing needs such as overpayment and overcrowding, together, determine the need for housing. The housing need for new households is adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. Total housing need is then distributed among four income categories on the basis of the county’s income distribution, with adjustments to avoid an overconcentration of lower-income households in any community. Additional detail regarding SCAG’s methodology used to prepare the RHNA may be reviewed on SCAG’s website at <https://scag.ca.gov/rhna>.

2. 2021-2029 Palos Verdes Estates New Housing Needs

As determined by SCAG’s 2021 RHNA Plan, the total new housing need for the City of Palos Verdes Estates during the 2021-2029 planning period is 199 units. This total is distributed by income category as shown in Table II-2.

**Table II-2
Regional Housing Growth Needs 2021-2029**

Very Low*	Low	Moderate	Above Moderate	Total
82	44	48	25	199

Source: SCAG 2021

*50% of the very-low need is assigned to the extremely-low-income category pursuant to Government Code §65583(a)(1)

It should be noted that SCAG did not identify growth needs for the extremely-low-income category in the adopted RHNA. As provided in Assembly Bill (AB) 2634 of 2006, jurisdictions may determine their extremely-low-income need as one-half the need in the very-low category.

A discussion of the City’s land resources to accommodate this growth need is provided in Chapter III.

III. RESOURCES AND OPPORTUNITIES

A. Sites for Residential Development

Section 65583(a)(3) of the *Government Code* requires Housing Elements to contain an “inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.” The City’s inventory of sites with potential for residential development is provided in Appendices B and D and summarized in Table III-1. Sites identified for potential housing development, including sites in Lunada Bay, Malaga Cove, Accessory Dwelling Units (ADUs) and citywide vacant single-family sites, are shown on a map in Figures III-1, III-3, and III-5.

1. Affordability Assumptions

State Housing Element law establishes a “default density” for each jurisdiction, which is the density assumed to be sufficient to facilitate the production of lower-income housing. The default density for Palos Verdes Estates is 20 units/acre. Since the City allows multifamily residential development at 24.9 units/acre and mixed-use development in the Commercial Zone with no density limit, those areas are considered to be suitable for lower-income housing. However, it must be recognized that affordable housing generally requires two things: 1) a suitable site with appropriate land use regulations; and 2) a willing developer with access to public subsidies to make the project financially feasible. Therefore, the Housing Element also includes a Program for by-right residential Overlay Zoning, which would include a Mixed-Use Overlay zone allowing a density range of 25-30 dwelling units per acre and a Housing Opportunity Overlay zone allowing a density range of 20-25 dwelling units per acre, to be discussed later in this section.

The small number of vacant sites, very high land costs, and limited public subsidies makes affordable housing development in high-cost areas like Palos Verdes Estates extremely challenging. However, State law requires a jurisdiction’s site inventory “...shall be used to identify sites throughout the community, consistent with...” its duty to affirmatively further fair housing. In particular, the inventory of sites suitable for lower-income housing should not be concentrated in areas of low opportunity or where patterns of segregation exist. As discussed in the analysis of fair housing in Section IV and Appendix E, the entire city is identified as a “high resource” area in the TCAC/HCD Opportunity Map. For purposes of evaluating fair housing, resource levels indicated by the TCAC/HCD map are based upon access to economic and educational opportunities such as low-cost transportation, jobs, and high-quality schools and environmental factors such as proximity to hazards and air quality. The TCAC/HCD map shows that all areas of Palos Verdes Estates have good access to opportunity and have high indexes of education, economic, and environmental factors that affect fair housing.

2. Single-Family Sites

Only 41 vacant residential lots currently exist in the city. This vacant land consists of individual single-family (R-1) lots in developed neighborhoods and there are few locations where even two vacant sites are contiguous. The size of these vacant single-family lots varies from 0.13 acres to over an acre and are assumed to accommodate moderate and above-moderate income levels. These vacant sites are generally difficult to develop due to topography. The few lots that are large enough to present an opportunity for further subdivision are very steeply sloped, rendering it impractical to construct additional units. At the same time, some of the lots presenting the greatest development challenge also provide spectacular views,

inducing potential residents to make the investment needed for massive grading or other modifications of the lot. Thus, they are best suited for single-family housing. Infrastructure exists to serve these lots, though three of the lots lack direct street access and would require an easement across adjacent lots. Due to terrain, none of the vacant lots are candidates for multifamily development. Vacant single-family (R-1) lots are shown on a map in Figure III-1.

3. Multifamily Sites

Two areas in Palos Verdes Estates allow multifamily development – Lunada Bay and Malaga Cove. The R-M zoning for these areas is consistent with the private deed restrictions enforced by the Palos Verdes Homes Association (PVHA) and no additional land may be redesignated for multifamily use without approval of the PVHA. Within these two areas, all sites are developed at or above (due to legally nonconforming structures) the maximum allowable number of units. Multifamily development is permitted by-right in the R-M Zone, and adequate streets, sewer, water infrastructure, and dry utilities exist to serve these properties. Although these properties have the potential for slight intensification, they were not included in the Housing Element Sites Inventory.

4. Church Sites

The City of Palos Verdes Estates contains three church sites, however only one will be included in the sites inventory, the First Church of Christ, Scientist. The church site is currently zoned R1 and would be rezoned with a Housing Opportunity overlay. Once rezoned the church would accommodate 60 low and very low-income units and 32 moderate income units. The church site was not included in the 5th Cycle Housing Element

5. Commercial Sites

A total of approximately 8.5 acres of land is zoned for commercial use in Lunada Bay and Malaga Cove. Existing zoning allows mixed-use development in these areas and could accommodate affordable housing. The zoning code allows mixed commercial/residential use by use permit. There is no minimum commercial portion or density limit on the residential component of a mixed-use development other than conformance with the applicable standards such as the height limit of 35 feet and two stories (which does not include parking garages), lot coverage, setbacks, parking, landscaping, etc.

Five parcels within three sites have been identified as candidate sites for Mixed-Use Overlay rezoning as part of Program 13. Objective design standards will prescribe the optimum standards to allow for development at 25-30 du/ac as permitted by the Mixed-Use Overlay zone. Such standards include reduced parking requirements, reduced setbacks, one additional story (3 stories within 35 feet) and no minimum unit size. Table III-1 contains an inventory of two commercial and one church site included in the sites inventory. This table shows that, assuming the minimum density of 25 units/acre per the Mixed-Use Overlay zone for the commercial sites. The Malaga Cove site would accommodate 11 very low- and low-income units and 6 moderate income units and the Lunada Bay site would accommodate 11 very low- and low-income units and 6 moderate income units. Due to the fact that several of the parcels proposed for rezoning are developed with single-story buildings and surface parking, they are significantly underutilized. The commercial sites were both included in the 5th Cycle Housing Element.

**Table III-1
Inventory Summary**

	Income Category			Total
	VL/L	Mod	Above	
Vacant Single-Family lots	-	-	41	41
Malaga Cove	11	6	-	17
Lunada Bay	11	6	-	17
First Church of Christ, Scientist	60	32		92
ADUs	48	5	27	80
Totals	130	49	68	247
RHNA (2021-2029)	126	48	25	199
Adequate Sites?	Yes	Yes	Yes	Yes

Source: City of Palos Verdes Estates Community Development Department, 2024

6. Accessory Dwelling Units

Accessory dwelling units (ADUs) represent a significant opportunity for affordable housing, particularly for single persons or small households including the elderly, college students, young adults, caregivers or household employees.

Between 2018 and May of 2023, 34 accessory dwelling units were approved in Palos Verdes Estates (Table III-2). However, the City is implementing an adjusted average yearly timeframe of 2020 to 2023 to project ADU development for the 6th Cycle Housing Element. The adjusted projection calculation excludes 2018 and 2019 since the City did not adopt ADU Ordinance No. O20-74 until November 12, 2020. There was scarce ADU information available to homeowners prior to the adoption of Ordinance No. O20-747 which hindered ADU applications.

Following the adoption of Ordinance No. O20-74, yearly ADU applications steadily increased. Recent changes in State law have made the construction of ADUs more feasible for homeowners. The City saw a marked increase in ADU development applications during 2022 and the first quarter of 2023. As of May 2023, there were already 6 ADUs permitted and there were 16 pending applications in various stages of approval as of December, 2023. Ordinance No. O20-747 is currently being updated to reflect changes to State law and was adopted in mid-2023. The City assumes that there will be an increase in ADU applications following the adoption of the updated Ordinance No. O20-747 and, consequently, 10 ADUs are projected for the remaining months of 2023 (June to December) for a total of 16 ADUs in 2023. Furthermore, the City’s recent ADU survey indicated that many residents would be interested in constructing an ADU on their property with more information and less restrictions.

For these reasons, the adjusted yearly average for ADU permits is 10. Assuming construction will continue at the rate of 10 dwelling units per year, 80 ADUs will be permitted during the 2021-2029 planning period.

The City has revised Program 7 to offer incentives for ADU construction including reduced permit fees or a 200 square foot increase in floor area for units offered at lower income rental prices for a minimum of ten years. The City will monitor ADU construction activity and will adjust the program every two years if assumptions are not met.

**Table III-2
Approved ADU Building Permits**

Year	Approved Building Permits	Pending Applications	Adjusted Figuring
2018	1		
2019	3		
2020	6		6
2021	8		8
2022	10		10
2023	6	16	16
Total (2018 - 2023)	34		
Total (2020 - 2023)			40
Average permits per year (next 8-year cycle)			10
Allowance for 2021-29 RHNA			80

Based on recent analysis conducted by SCAG⁷ (Table III-3) approximately two-thirds of future ADUs are expected to be affordable to low- and moderate-income households. This analysis surveyed rents of 150 existing ADUs in the SCAG region between April and June 2020. Los Angeles County is split into two categories, which are analyzed separately in order to more accurately describe ADU rent and affordability. This analysis concluded that in Los Angeles Region I (which includes Palos Verdes Estates), 60% of ADUs constructed will be in the extremely low, very low, and low category. Additionally, as provided in Chapter 18.45.050 PVEMC, with the building permit application, the applicant must provide the city with an estimate of the projected annualized rent that will be charged for the ADU or JADU as well as a yearly report with the actual rent charged for the ADU or JADU during the prior year.

**Table III-3
Affordability of Accessory Dwelling Units, per SCAG Affordability Study**

Income Category	Percentage to be Allotted (Los Angeles County, Region I)	Number of ADUs to be constructed
Very Low/Low	60%	48
Moderate	6%	5
Above/Upper	34%	27
Total	100%	80

⁷ SCAG, Regional Accessory Dwelling Unit Affordability Analysis, 2020 (https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527)

7. Other Undeveloped Areas

The only other significant undeveloped areas are under public or quasi-public use. This includes public open space and schools. Should such uses be abandoned, residential use of the sites could be considered, to the extent this can be accomplished within existing deed restrictions.

The city contains approximately 849 acres of open space, including the 130-acre shoreline preserve, park sites and greenbelt pathways, golf course, and play areas. These areas are deed restricted and, for areas in the Coastal Zone, designed to enhance preservation and/or public access to coastal resources, consistent with the California Coastal Act. These properties may have the potential for residential development in the future, however they were not included in the Housing Element Sites Inventory.

8. Candidate Sites for Rezoning

As part of Program 13, the City has identified five candidate parcels within three sites to be rezoned to accommodate by-right housing. Two new housing overlay zones will be implemented: the Housing Opportunity Overlay (HO-O) and the Mixed-Use Overlay (MU-O). These sites have the ability to support a variety of housing choices and are conveniently located near employment and transportation options for all residents.

Two candidate sites, the Malaga Cove site and the Lunada Bay site, will be re-zoned with a Mixed-Use Overlay designation to allow for by-right residential uses with objective design standards. One candidate site, the First Church of Christ, Scientist, will be rezoned with a Housing Opportunity Overlay zone to allow for by-right residential uses with objective design standards. These overlay zones would layer on top of the base zoning regulations, leaving in place the option to develop under the base zoning, but providing the opportunity to develop to a greater intensity without an additional General Plan amendment or zone change.

The overlay zones would provide the following incentives in exchange for providing 20% affordable units (very low and low income) on these sites:

- Ministerial review
- Increased densities
- Increased number of stories
- Reduced setbacks
- Increased floor area ratios
- Reduced Parking Ratios
- Reduced project-specific open space standards

As an additional incentive, developers can access state density bonus law, including by right alternative parking standards, in addition to using the densities allowed in the Overlay.

The Housing Opportunity Overlay Zone will allow a density range of 20-25 dwelling units per acre while the Mixed-Use Overlay zone will allow a density range of 25-30 units per acre. Potential units were calculated based on the minimum density allowed. The candidate sites can accommodate a total of 150 units on approximately 5.99 acres of land. Table III-1 shows potential units by income category. The two candidate sites in Figures III-2 and III-3 will be rezoned with the MU-O designation; the candidate site in

Figure III-4 will be rezoned with an HO-O designation. See Appendix D for an analysis of the sites inventory.

9. Affirmatively Furthering Fair Housing

State law requires a jurisdiction's site inventory "...shall be used to identify sites throughout the community, consistent with..." its duty to affirmatively further fair housing. In particular, the inventory of sites suitable for lower-income housing should not be concentrated in areas of low opportunity or where patterns of segregation exist. As discussed in the analysis of fair housing in Appendix E, the entire city is identified as a "high resource" area in the TCAC/HCD Opportunity Map. For purposes of evaluating fair housing, resource levels indicated by the TCAC/HCD map are based upon access to economic and educational opportunities such as low-cost transportation, jobs, and high-quality schools and environmental factors such as proximity to hazards and air quality. The TCAC/HCD map shows that all areas of Palos Verdes Estates have good access to opportunity and have high indexes of education, economic, and environmental factors that affect fair housing. See Appendix E for an assessment of the City's policies and programs related to Affirmatively Furthering Fair Housing.

Summary

As shown in Table III-4 below, the City's inventory of vacant and underutilized sites can accommodate the RHNA allocation in all income categories. Additionally, Program 12 would evaluate incentives that will facilitate lot consolidation and increase the overall feasibility of affordable housing projects for candidate sites in the Mixed-Use Overlay zone and Housing Opportunity Overlay zone. Program 13 would provide by-right approval of projects for three candidate sites within five parcels that will be rezoned with either a Mixed-Use Overlay or Housing Opportunity Overlay designation. These sites have the ability to support a variety of housing choices and are conveniently located near employment and/or transportation options for all residents. Affirmatively Furthering Fair Housing would facilitate equal and fair housing opportunities by implementing actions to affirmatively further fair housing and opportunities for all persons regardless of race, religion, sex, age, marital or familial status, ancestry, national origin, color, disability, or other protected characteristics through provision of information, coordination, and education on fair housing law and practices to residents, landlords, and housing developers. See Appendix D, Sites Inventory Analysis, and Appendix E, AFFH, for a more in-depth analysis.

**Table III-4
Candidate Sites Inventory**

	Site (APN)	General Plan/ Zoning	Rezone	Parcel Size	Existing Use	Existing Floor Area	Existing FAR	Year Built	Units by Income Category*		TOTAL UNITS
									VL/L	Mod	
Malaga Cove - Site 1 - MU Overlay											
Malaga Cove	7539-016-018	C	MU-O	0.42	Office	7,936	0.43	1956			
Malaga Cove	7539-016-019	C	MU-O	0.26	Office	7,514	0.66	1952			
TOTALS - Malaga Cove				0.68	acres	15,450	0.52		11	6	17
Lunada Bay - Site 4 - MU Overlay											
Lunada Bay	7542-015-025	C	MU-O	0.68	Office/Retail/ Restaurant	36,478		1967			
TOTALS - Lunada Bay				0.68	acres	36,478	1.23		11	6	17
First Church of Christ, Scientist											
First Church of Christ, Scientist	7538-027-010	R-1	HO-O	3.56	Church	12,082		1969			
First Church of Christ, Scientist	7538-027-009	R-1	HO-O	1.07	Church						
TOTALS- First Church of Christ, Scientist				4.63	acres	12,082	0.06		60	32	92
GRAND TOTAL				5.99	acres	64,010	0.25		82	44	126

**Figure III-1
Palos Verdes Estates Sites Inventory**

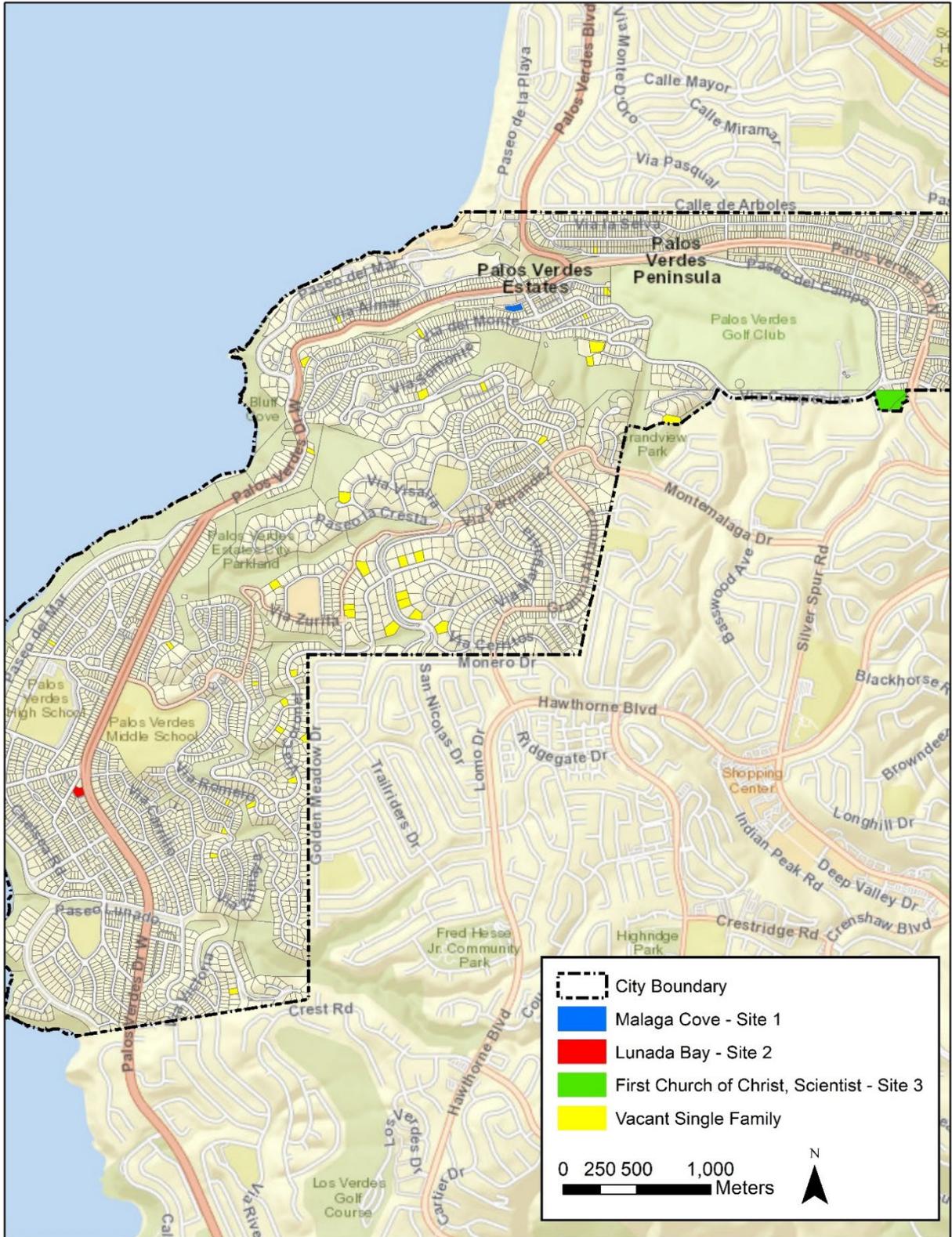


Figure III-2
Proposed Housing Site 1 - Malaga Cove

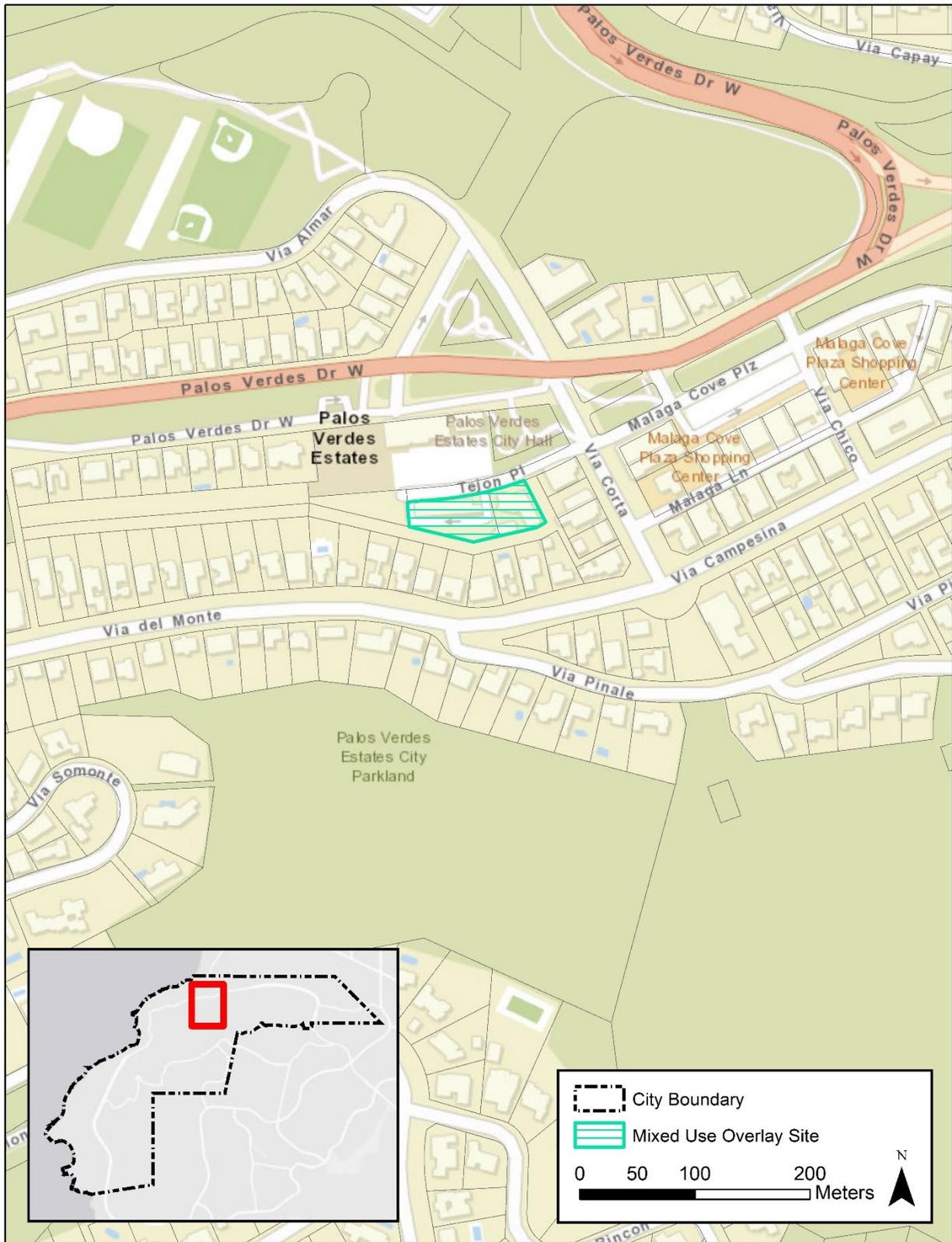


Figure III-3
Proposed Housing Site 2 – Lunada Bay

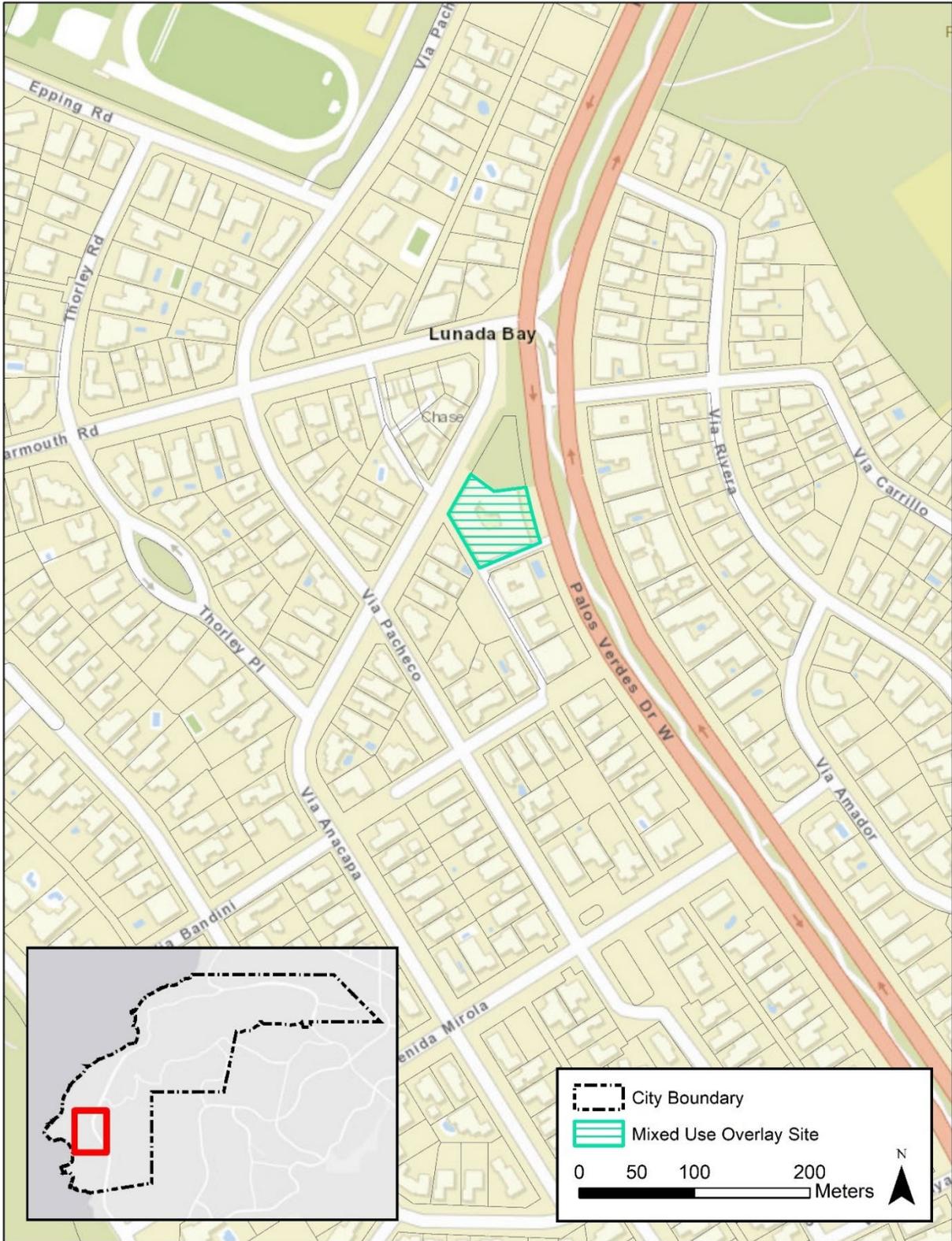
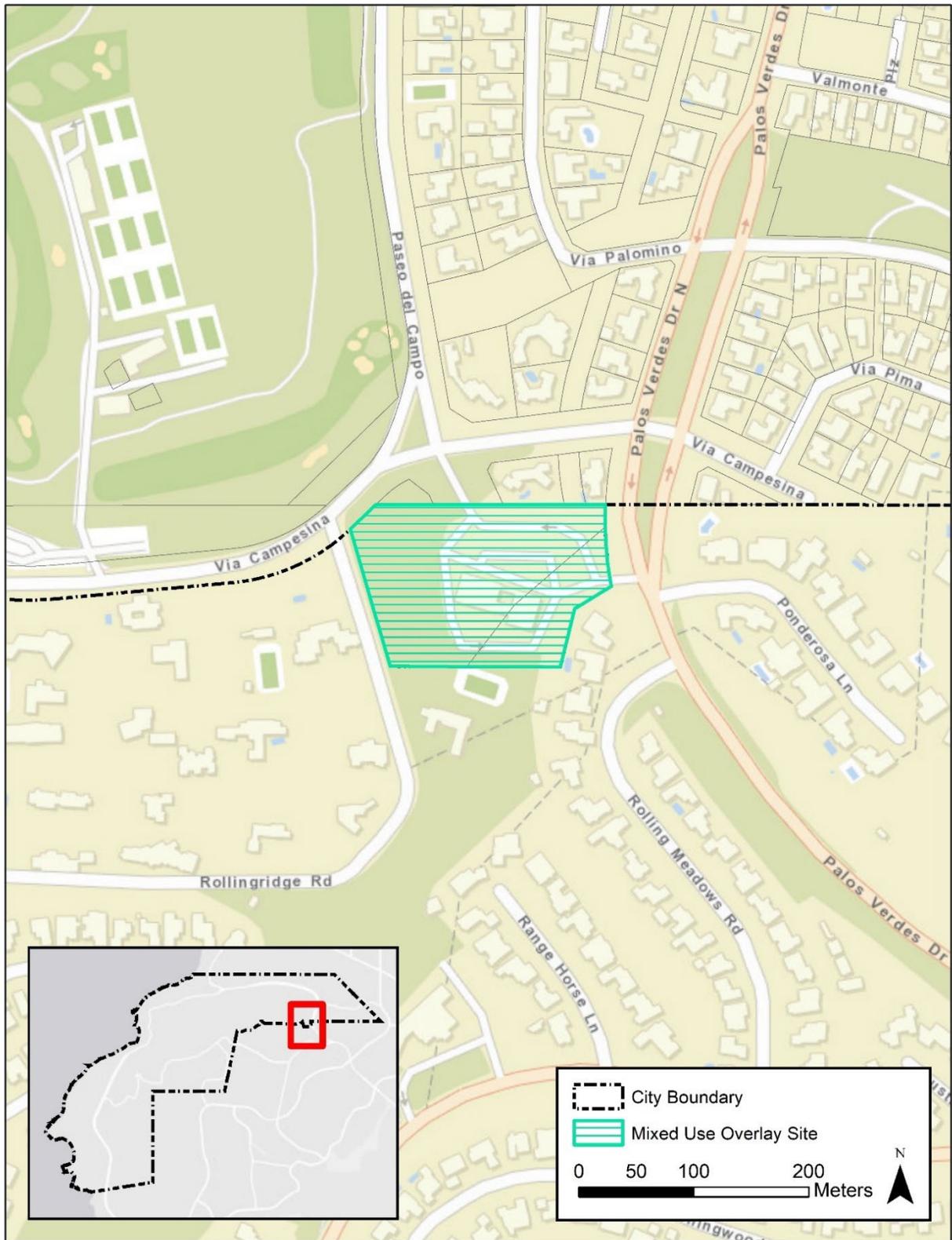


Figure III-4
Proposed Housing Site 3 – First Church of Christ, Scientist



B. Energy Conservation Opportunities

State law (*Government Code* §65583(a)(7)) requires all new construction to comply with "energy budget" standards that establish maximum allowable energy use from depletable sources (Title 24 of the California *Administrative Code*). These requirements apply to such design components as structural insulation, air infiltration and leakage control, setback features on thermostats, water heating system insulation (tanks and pipes) and swimming pool covers if a pool is equipped with a fossil fuel or electric heater. State law also requires that a tentative tract map provide for future passive or natural heating or cooling opportunities in the subdivision, including designing the lot sizes and configurations to permit orienting structures to take advantage of a southern exposure, shade, or prevailing breezes.

Southern California Edison (SCE) and the Southern California Gas Company offer energy conservation programs including audits of home energy use to reduce electricity consumption, refrigerator rebates, appliance repair and weatherization assistance to qualified low-income households, buyer's guides for appliances and incentives, by the Gas Company, to switch from electric to gas appliances. Direct assistance to low-income households is provided by the Gas Company through the California Alternate Rates for Energy (CARE) Program and by SCE through its Energy Management Assistance Program.

Both companies have programs to encourage energy conservation in new construction. SCE's energy rebate program applies to residential developers as well as individual customers. SCE also offers an Energy STAR new home program, and Sustainable Communities Program offering design assistance and financial incentives for sustainable housing development projects. The Gas Company's Energy Advanced Home Program is offered to residential developers who install energy-efficient gas appliances that exceed California energy standards by at least 15%.

Some of the most readily available measures for conserving energy in new residential development, as well as in other homes, are described below.

1. Insulation and Weatherproofing

A significant portion of the homes in Palos Verdes Estates were built prior to 1970, when there was little concern for the use of electricity, oil, and natural gas for heating purposes. To conserve the heat generated by older heating units and minimize the heat loss ratio, these homes can be insulated in the attic space and exterior walls. Windows and exterior doors can be fitted with airtight devices, caulking or other means to maximize heating and cooling efforts.

2. Solar Energy and Natural Lighting

Daytime interior lighting costs can be significantly reduced or eliminated with the use of properly designed and located skylights. Skylights can be easily installed at reasonable expense in existing houses, thereby substantially reducing electricity costs and energy consumption.

Solar energy is a practical, cost effective, and environmentally sound way to heat and cool a home. In California, with its plentiful year-round sunshine, the potential uses of solar energy are numerous. With proper building designs, this resource provides cooling in the summer and heating in the winter; it can also heat water for domestic use and swimming pools and can generate electricity.

Unlike oil or natural gas, solar energy is an unlimited resource. Once a solar energy system is installed, the only additional costs are for the maintenance or replacement of the system itself. The user is not subject

to unpredictable fuel price increases. Moreover, solar energy can be utilized without any serious safety or environmental concerns.

Solar heating and cooling systems are of three general types: passive, active, or a combination of both. In passive solar systems, the building structure itself is designed to collect the sun's energy, then store and circulate the resulting heat, similar to a greenhouse. Passive buildings are typically designed with a southerly orientation to maximize solar exposure and constructed with dense materials such as concrete or adobe to better absorb the heat. Properly placed windows and overhanging eaves also contribute to keeping a house cool.

Active systems collect and store solar energy in panels attached to the exterior of a house. This type of system utilizes mechanical fans or pumps to circulate the warm/cool air, while heated water can flow directly into a home's hot water system.

Although passive systems maximize use of the sun's energy and are less costly to install, active systems have greater potential for both cooling and heating a home and providing hot water. This may mean lower energy costs for residents presently dependent on conventional fuels. The city encourages the use of passive solar systems in new residential construction to improve the energy efficiency of housing units.

In 2019, the City adopted a new lighting ordinance that encourages energy efficient light bulbs, such as compact florescent lamps (CFL) and light-emitting diode (LED) bulbs.

3. South Bay Energy Saving Center

In addition to state-mandated Title 24 requirements, Palos Verdes Estates is participating in a coalition to collaboratively tackle the issue of energy conservation. The South Bay Environmental Services Center (SBESC⁸) is educating residents, business owners, and public agencies about the energy conservation programs and incentives available in the community and how to incorporate more energy-saving practices into everyday life. Established through funding from the California Public Utilities Commission, the SBESC includes the 15 cities that comprise the South Bay Cities Council of Governments (SBCCOG) and is associated with Southern California Edison and Southern California Gas Company. Member cities include Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Torrance, and the Harbor City and San Pedro communities of Los Angeles.

The Center hosted a community lamp exchange in which about 2,000 residents exchanged their traditional lamps for compact fluorescent light bulbs, free of charge. Edison donated the fluorescent lamps and residents were invited to exchange up to 10 household lamps apiece.

4. Water Conservation

Simple water conservation techniques can save a family thousands of gallons of water per year, plus many dollars in water and associated energy consumption costs. It is now possible to obtain plumbing products that reduce water waste by restricting the volume of water flow from faucets, showerheads, and toilets. The use of plant materials, in residential landscaping, that are well adapted to the climate in the Palos Verdes Peninsula can also measurably contribute to water conservation by reducing the need for irrigation.

⁸ www.sbesc.com

A household can save water by fixing dripping faucets and using water more conservatively. In addition, such conservation practices save on gas and electricity needed to heat water and the sewage system facilities needed to treat it. By encouraging residents to conserve water and install water saving devices, the city can greatly reduce its water consumption needs and expenses.

The City Council also passed a water efficient landscape ordinance (Municipal Code Chapter 18.50) in 2010. This ordinance supports State requirements of stringent water efficiency standards for landscaping installations of over 500 square feet for new construction projects and over 2,500 square feet for rehabilitated landscape projects. In 2020, the City created a website to promote water efficient landscaping at: www.pvestates.org/services/planning/landscape-plan-requirements.

IV. CONSTRAINTS

A. Governmental Constraints

1. Land Use Plans and Regulations

a. California Coastal Act

A portion of the city is located within the Coastal Zone. The California Coastal Act mandates preservation of coastal bluffs, public access to the shoreline, coastal views, and ecologically sensitive areas. In addition to broad policy, the Coastal Commission has also established “stringline” development standards in many areas in order to preserve views. This can act as a constraint upon development. In addition, Coastal Commission permit procedures are time-consuming and complex. Because the City has an adopted Local Coastal Program (LCP) implementation program, development is facilitated by the reduced need to process projects through the Coastal Commission. City decisions may still be appealed to the Coastal Commission, however.

b. General Plan

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The land use element of the General Plan establishes the basic land uses and density of development within the various areas of the city. Under state law, the General Plan elements must be internally consistent, and the city’s zoning must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The General Plan recognizes that every parcel within the City is governed by deed restrictions which govern height and setbacks, effectively limiting density. One of the Plan’s Goals is to maintain a low density, predominantly single-family residential pattern.

The General Plan provides for two categories of residential density, Single-Family Residential and Multiple-Family Residential. Multiple-Family Residential areas are also governed by the Palos Verdes Estates Specific Development Plan, which establishes a maximum density of one dwelling unit for each 1,750 square feet of lot area, equating to 24.9 units per acre, the same density as specified under the zoning code. Multi-family dwellings are permitted in the R-M Zone.

c. Zoning Designations and Development Standards

The City regulates the type, location, density, and scale of residential development through the Municipal Code. Zoning regulations serve to implement the General Plan and are designed to protect and promote the health, safety, and general welfare of residents. The Municipal Code also helps to preserve the character and integrity of existing neighborhoods. The Municipal Code sets forth residential development standards for each zone district.

The Plan also regulates minimum dwelling unit size. Minimum ground floor area for dwellings in the R-1 Zone is 1,200 square feet and minimum unit size in the R-M Zone is as follows:

1 bedroom	750 sq.ft.
2 bedrooms	950 sq.ft.
3 bedrooms	1,050 sq.ft.
Additional Bedrooms	+100 sq.ft.

These minimum sizes are not inordinately large and are smaller than typical dwellings constructed elsewhere in the region in recent years. However, to the extent that demand existed for very high density, small residential units these limits could act as a constraint on the delivery of housing, and therefore, the City will adopt Program 13 to allow reduced unit sizes.

The City height limit accommodates two stories and 35 feet within the R-M Zone, which can accommodate multi-family development at allowable densities. The City will adopt Program 13 to allow up to three stories within 35 feet within the R-M and Housing Overlay zones.

The City's zoning regulations specify a maximum lot coverage of 30 percent for single-family lots, 60 percent for interior multi-family lots, and 70 percent for multi-family lots located on a corner. This is consistent with existing deed restrictions. The Code also stipulates that setbacks shall be consistent with covenants of record. These generally provide for minimum side yards of five to ten feet, and minimum rear yards of 12 to 20 feet, depending on the height of the building. These requirements are not unusually restrictive, reflective of typical setbacks required in many suburban communities, and do not pose a constraint on development.

The Zoning Code also restricts maximum floor area of a single-family residence to the lesser of 30 percent of lot area plus 1,750 square feet or 50 percent of lot area. This serves to maintain the character of existing neighborhoods and prevent extremely costly, overly large homes, or “mansionization.”

Zoning for Multi-Family Housing – The allowable density within the Multifamily Residential (R-M) zoning district is 24.9 dwelling units per acre. With the provision of a density bonus for affordable housing, as provided under *Government Code* §65915, this would allow densities up to 33 units per acre depending on the proportion of affordable housing provided. State law establishes a “default density” of 20 units per acre for small cities in the Los Angeles metropolitan area. This refers to the density that is deemed suitable to facilitate development of lower-income housing. Since the City’s allowable multi-family density is greater than the default density, it is not considered a constraint to affordable housing development.

Two areas in the city allow commercial development – Lunada Bay and Malaga Cove. Commercial/residential mixed-use development is permitted in these areas and could accommodate development of affordable housing. The City's Zoning Code allows mixed commercial/residential use upon the approval of a use permit. The Code does not limit the maximum density for mixed use, although development in commercial areas is limited to 35 feet and two stories, excluding parking garages, and is limited to 80 percent lot coverage. These standards can accommodate development at the default density of 20 units/acre. However, as part of Housing Program 13, the new Mixed-Use Overlay zone will use a minimum density of 25 units per acre and the Housing Opportunity Zone will use a minimum density of 20 units per acre. The candidate affordable housing sites in the Overlay zones will be permitted by-right with objective design standards and will be subject to incentives such as reduced permit fees, increased number of stories (three stories within 35 feet), reduced parking requirements and expedited plan review.

Zoning for Manufactured Housing – As discussed in Program 6, consistent with State law, manufactured housing is permitted on single family lots not occupied by another dwelling.

Allowable residential uses under the Zoning Code are summarized in Table IV-1.

Table IV-1

Housing Types Permitted by Zone

RESIDENTIAL USE	ZONE		
	R-1	R-M	C
Single-Family	P	P ²	
Two-Family Dwellings and Multiple Dwellings		P	
Mobile Home Parks or Mobile Homes	P	P	
Mixed Commercial and Residential Uses			CUP
Residential Care <7P	P	P ²	
Residential Care >7P ⁵	CUP		CUP
ADU & JADU ¹	P/CUP	P/CUP ²	
Communal Housing	CUP		
Agricultural Employee Housing	CUP		
Short-Term or Vacation Rental			
Emergency Shelters			CUP ³
Single Room Occupancy Housing			CUP ⁴

P=Permitted CUP=Conditional Use

¹ ADUs and JADUs complying with the objective criteria set forth in Chapter 18.45 PVEMC are permitted. ADUs and JADUs exceeding the standards set forth in Chapter 18.45 PVEMC may be permitted with a Conditional Use Permit.

² Any use permitted in the R-1 zone subject to all conditions in the R-1 zone.

³ Emergency shelters are subject to the standards provided in PVEMC 18.72.010.

⁴ Single room occupancy housing is subject to the standards provided in PVEMC 18.72.020.

Source: City of Palos Verdes Estates, 2021

⁵ As indicated previously, Program 11 will amend the zoning ordinance to allow large residential care facilities by right in multi-family zones.

d. Special Needs Housing

Persons with special needs include those in residential care facilities, persons with disabilities, persons needing emergency shelter or transitional living arrangements. Many of these groups also fall under the category of extremely-low-income households. The City’s provisions for these housing types are discussed below.

Residential Care Facilities

Residential care facilities refer to any family home, group home, or rehabilitation facility that provides non-medical care to persons in need of personal services, protection, supervision, assistance, guidance, or training essential for daily living. Under state law, state-licensed residential care facilities that serve six or fewer persons must be treated as a single-family residential use. The Municipal Code allows small residential care facilities for up to 6 persons as a permitted use in both the R-1 and R-M zones.

Large residential care facilities means any family home or group care facility serving seven or more persons in need of personal services, supervision or assistance essential for sustaining the activities of daily living or for the protection of the individual, excluding jails or other detention facilities. Currently large residential care facilities are conditionally permitted in the Commercial zone, however Program 11

calls for modifications to the zoning ordinance to permit large Residential Care Facilities similarly to any similar residential use. Large residential care facilities will not be subject to neighborhood compatibility review but will instead be subject to objective design standards.

The Code currently allows “communal housing” with no limit on the number of occupants in all residential zones subject to a conditional use permit. However, as stated above, Program 11 will modify the zoning code to allow Residential Care Facilities in all zones similarly to any residential use. Large residential care facilities will not be subject to neighborhood compatibility review but will instead be subject to objective design standards.

Housing for Persons with Disabilities

Both the federal Fair Housing Act and the California Fair Employment and Housing Act require local governments to allow reasonable accommodation (i.e., modifications or exceptions) in their zoning laws and other land use regulations when necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The Building Codes adopted by the City of Palos Verdes Estates incorporate accessibility standards contained in Title 24 of the California Administrative Code. For example, apartment complexes of three or more units and condominium complexes of four or more units must be designed to accessibility standards.

- Definition of “family”. According to Municipal Code Section 17.08.190 “*Family*” is defined as an individual or two or more persons living together as a single household in a dwelling unit. This definition is consistent with state law and does not pose a constraint to housing for persons with special needs.
- Separation requirements. No separation requirements are established in the Municipal Code for group homes or care facilities.
- Site planning requirements. The site planning requirements for communal housing are no different than for other residential uses in the same zone.
- Parking standards. Parking requirements for communal housing are calculated in the same manner as for other residential uses in the same zone.

Emergency Shelters and Low Barrier Navigation Centers

Senate Bill 2 of 2007 strengthened the planning requirements for emergency shelters⁹. Each local government is required to identify a zone or zones to accommodate at least one year-round emergency shelter. When a city does not have sufficient emergency shelter capacity to accommodate its shelter need, zoning regulations must allow emergency shelter facilities by-right. Additional zones may be established where emergency shelters are permitted subject to a conditional use permit. Through Program 13, the City will amend the code to require sufficient parking to accommodate all staff working in an emergency shelter, provided that the standards will not require more parking for emergency shelters than other residential or commercial uses within the same zone, in compliance with AB 139.

As discussed in Chapter II, the latest homeless survey reported no homeless persons in Palos Verdes Estates, and there is no demand for emergency shelters in the city. Municipal Code Sec. 17.08.175 defines “Emergency shelter” as “housing with minimal supportive services for homeless persons that limits

⁹ Government Code §65583(a)(4)

occupancy by homeless persons to six months or less and that does not deny emergency shelter due to a person's inability to pay." Emergency shelters with up to 15 beds are a permitted use in the C zone subject to the following requirements:

- Submittal of a management and operations plan establishing hours of operation, staffing levels, maximum length of stay, size and location of exterior and interior on-site waiting and intake areas, and security procedures.
- Minimum separation of three hundred feet between emergency shelters.
- Each occupant shall be provided a minimum of fifty square feet of personal living space, not including space for common areas.
- Bathing facilities shall be provided in quantity and location as required by the California Plumbing Code and California Building Code.
- Shelters must provide a storage area for refuse and recyclables that is enclosed by a six-foot-high landscape screen, solid wall, or fence, which is accessible to collection vehicles on one side. The storage area must be large enough to accommodate the number of bins that are required to provide the facility with sufficient service so as to avoid the overflow of material outside of the bins provided.
- A shelter may provide one or more of the following specific facilities and services on site, including but not limited to:
 - Commercial kitchen facilities designed and operated in compliance with the California Retail Food Code;
 - Dining area;
 - Laundry room;
 - Recreation room;
 - Support services (e.g. training, counseling); and
 - Childcare facilities.
- A minimum of five percent of the total square footage of a shelter shall be designated for indoor on-site waiting and intake areas. In addition, an exterior waiting area shall be provided, the minimum size of which is equal to or larger than the minimum interior waiting and intake area.
- Off-street parking shall be provided at the rate of one space per four beds, plus one space for each staff person on duty.

These standards do not pose an unreasonable constraint to the provision of emergency shelters. The Commercial zone encompasses approximately 8.5 acres with approximately 32 parcels ranging in size from 2,700 square feet to approximately 1.5 acres and has vacant or underutilized buildings that could accommodate at least one emergency shelter.

In 2019, the State Legislature adopted AB 101 establishing requirements related to local regulation of low barrier navigation centers, which are defined as "Housing first, low-barrier, service-enriched shelters focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing." *Low Barrier* means best practices to reduce barriers to entry, and may include, but is not limited to:

- (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth
- (2) Accommodation of residents' pets
- (3) The storage of possessions
- (4) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms"

Low barrier navigation centers meeting specified standards must be allowed by-right in areas zoned for mixed use and in nonresidential zones permitting multi-family uses. Program 11 in Section V includes a commitment to process an amendment to the Municipal Code in compliance with this requirement.

Transitional and Supportive Housing

"Transitional housing" means buildings configured as rental housing developments but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. [Government Code §65582(h)]

"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. [Government Code §65582(f)]

"Target population" means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with §4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. [Government Code §65582(g)]

Under State law, transitional and supportive housing must be permitted as residential uses subject only to the same standards and procedures as apply to other residential uses of the same type in the same zone. The Municipal Code includes definitions for transitional and supportive housing consistent with State law and allows these facilities as a residential use that is permitted subject to the same standards and procedures as apply to other residential uses of the same type in the same zone.

In 2018, AB 2162 amended State law to require that supportive housing be allowed by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria. Program 11 in Section V includes a commitment to process an amendment to the Municipal Code in compliance with this requirement.

Single Room Occupancy

Single room occupancy (SRO) facilities are small studio-type units, typically reserved for lower-income residents or senior citizens. Municipal Code Sec. 17.08.382 defines Single room occupancy housing as "a structure that provides living units that have separate sleeping areas and may have private or some combination of shared bath or toilet facilities. The structure may or may not have separate or shared cooking facilities for the residents." SRO facilities are allowed in the C zone subject to approval of a conditional use permit.

Agricultural Employee Housing

Pursuant to the State Employee Housing Act¹⁰, the Municipal Code allows agricultural employee housing with up to 12 units or 36 beds as an agricultural use, and housing providing accommodations for up to six employees as a single-family residential use.

e. Off-Street Parking Requirements

The City’s parking requirements for residential uses are summarized in Table IV-2. Upon the request of an applicant, a qualifying housing development meeting the affordable housing requirements of PVEMC 18.68.020(O) may provide a minimum of one space for each studio or one-bedroom unit, two spaces for each two- or three-bedroom unit, and two and one-half spaces for each unit with four or more bedrooms, inclusive of guest parking. Parking requirements for a qualifying housing development may be satisfied with tandem and/or uncovered parking. The two Housing Overlay Zones will allow for reduced parking standards. In addition, the City has adopted Program 13 to allow an applicant to request reduced parking requirements.

Table IV-2

Residential Parking Requirements

Type of Unit	Minimum Parking Space Required
Single-Family	2 spaces in a garage
Multiple-Family	2 covered spaces per 1-bedroom unit plus ½ covered space per additional bedroom, not to exceed 3 spaces per unit ¼ guest space per unit Developments meeting the requirements of the density bonus ordinance (PVEMC Ch. 18.68) may provide a minimum of 1 space for each studio or 1-bedroom unit, 2 spaces for each 2- or 3-bedroom unit, and 2-1/2 spaces for each unit with 4 or more bedrooms, inclusive of guest parking. Parking requirements for a qualifying housing development may be satisfied with tandem and/or uncovered parking

Source: Palos Verdes Estates Zoning Ordinance, 2021

f. Accessory Dwelling Units

Chapter 18.45 of the Municipal Code establishes regulations for accessory dwelling units (ADUs). The Municipal Code was updated in October 2020 to incorporate recent changes to State ADU law and is currently undergoing an additional update to incorporate additional changes to State ADU law. In order to assist homeowners in obtaining approval for ADUs, the City provides information on its website (<https://www.pvestates.org/services/planning/adus>) regarding the application process and ADU standards.

g. Density Bonus

Under State law local jurisdictions must provide a density increase over the otherwise maximum allowable residential density under the Municipal Code and the Land Use Element of the General Plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with units affordable to low- or moderate-income households, or senior housing. Chapter 18.68 of the Municipal Code establishes regulations and procedures to implement State density bonus law. AB 2345 of 2019 amended State law to revise density bonus incentives that are available for affordable housing

¹⁰ Health and Safety Code Section 17021.5 and 17021.6

developments. Program 8 in Section V includes a commitment to amend the Municipal Code to incorporate these changes to State density bonus law.

h. Building Codes

State law prohibits the imposition of building standards that are not necessitated by local geographic, climatic, or topographic conditions. Further, state law requires that local governments making changes or modifications in building standards must report such changes to the Department of Housing and Community Development and file an expressed finding that the change is needed.

The City's building codes were most recently updated to incorporate the 2019 California Building, Plumbing, Mechanical, Fire, and Electrical Codes. These are considered the minimum necessary to protect the public's health, safety, and welfare. No additional regulations have been imposed by the City that would unnecessarily add to housing costs.

i. Short-Term Rentals

In 2016, the City adopted Ordinance No. O16-717 prohibiting short-term rental of residential property and further amended the legislation in 2019. This eliminates the possibility that properties will be rented for vacations and instead encourages homeownership and long-term rental.

2. Development Processing Procedures

a. Residential Permit Processing

State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects receive careful review. In order to make the permit process easier for applicants, the City is currently implementing an online permit process.

Title 18 Zoning Regulations stipulate the residential types permitted, conditionally permitted, or prohibited in each zone allowing residential uses. The City's Zoning Regulations are posted online and can be found at the following address: <https://www.codepublishing.com/CA/PalosVerdesEstates/#!/PalosVerdes17/PalosVerdes17.html>.

The site plan review process shall apply only in the R-M and C zones when a new structure is added, when a second story is added, when one thousand square feet or more of floor area is added, or when a grading permit is required. The site plan review process shall ensure that the development standards and other city land use regulatory ordinances are applied in a coordinated fashion.

Currently, the site plan review process must include Neighborhood Compatibility review conducted by the Palos Verdes Homes Association Art Jury. This process is intended to promote coordination and consistency by providing all interested parties with sufficient facts to fully understand the implications and merits of a project and by facilitating well-informed decisions. The Palos Verdes Homes Association (PVHA), a private entity separate from the city, was established in 1923 to enforce the Protective Deed Restrictions. These restrictions determine the building setback within each lot as well as the type of architecture. The Art Jury is appointed by the PVHA. The Art Jury reviews all projects within Palos Verdes Estates to determine if the design meets all criteria set forth in the Protective Deed Restrictions. Exterior design review is the Art Jury's primary responsibility. They also consider compatibility with

other structures in the neighborhood, site planning, building coverage, height, hardscape, landscape, color, and materials.

A finding of neighborhood compatibility must be obtained from the Planning Commission or City Council for the following developments on single-family residential property:

1. Any new structure of 1,000 square feet or more of gross floor area;
2. Addition of 1,000 square feet or more of gross floor area to any existing structure;
3. Additions of gross floor area in the form of a second story whether in whole or in part to any existing structure;
4. Addition to an existing building of a second story deck or balcony 80 or more square feet in area and/or projecting more than six feet from the existing building;
5. Addition to an existing building of a second story deck or balcony which is located in a required side yard;
6. Addition of a mezzanine, whether in whole or in part, to any existing building or structure, which changes the exterior of the building or structure; or
7. Any increase in the roof ridge elevation of any portion of an existing building, unless the increase is only a result of utilizing an alternate roofing material.

Applicants for multifamily development fitting the same criteria must obtain a Site Plan Permit, subject to the following findings:

1. The use or project proposed is consistent with the General Plan;
2. The use or project is consistent with any specific plan;
3. The use, activity, or improvements proposed by the application is consistent with the provisions of this title and Title 18 of the Code;
4. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act and Chapter 17.10 of the Code;
5. The neighborhood compatibility requirements of Chapter 18.36 have been satisfied;
6. The art jury of the Palos Verdes Home Association has completed its architectural review and has approved the project; and
7. The application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.

Applicants for a finding of neighborhood compatibility are required to confer with staff to review the process and likelihood of success. Applicants are provided with a packet detailing typical conditions of approval and relevant policy, such as the Silhouette Policy.

The Planning Commission (or City Council on appeal) must make the following findings for Neighborhood Compatibility in conjunction with the Residential Permit process:

- That the proposed development is designed and will be developed to preserve to the greatest extent practicable the natural features of the land, including the existing topography and landscaping.

- That the proposed development is designed and will be developed in a manner which will be reasonably compatible with the existing neighborhood character in terms of scale of development in relation to surrounding residences and other structures.
- That the proposed development is designed and will be developed in a manner which will preserve to the greatest extent practical the privacy of persons residing on adjacent properties.
- That the proposed development is designed and will be developed in a manner to the extent reasonably practicable so that it does not unreasonably interfere with neighbors' existing views.

To maintain Neighborhood Compatibility, the proposed residential development must address the following objectives as outlined in PVEMC Section 18.36.030:

- Natural amenities
- Neighborhood character
- Privacy
- View

The neighborhood compatibility review process also requires that the applicant host a neighborhood meeting and invite all those property owners within a 300-foot radius (list provided from the City) at least 4 weeks prior to the Planning Commission meeting. The written invitation must be sent out at least one week prior to the neighborhood meeting. The applicant must also provide a silhouette of the proposed building prior to the neighborhood meeting.

Conditional Use Permits (CUPs) are required for Mixed Use residential projects. The Planning Commission or Council, as provided in Chapter 17.20 PVEMC, may grant a conditional use permit (CUP). In addition, the planning commission or city council may impose such conditions as the Planning Commission or the City Council deems necessary or desirable to ensure that the use will be established, operated, and maintained in accordance with the findings required by Chapter 17.20 PVEMC. Persons filing an appeal with the City Council of a Planning Commission or Parklands Committee action (applicant or appellant) must submit all relevant information at the time an appeal is filed and paid. The grounds for appeal must apply to the findings required by the City Municipal Codes and to the final project decided upon by the Planning Commission. Fees for appeals range are \$1,500 for an Appeal of Administrative Decision to Planning Commission, \$2,000 for an Appeal of Parklands Committee Recommendation, and \$2,500 for an Appeal of Planning Commission Decision.

Where no discretionary review is required, plan check for processing of building permits is generally 10 business days turnaround time, depending on workload. If all application materials are in order, the application is then forwarded for a 4-week public review and noticing period. However, the additional time required for the neighborhood compatibility review process, including the four-week public review process, could act as a constraint to residential development. In the case of single-family development, the properties most likely to be affected would be those on which large homes are proposed.

The City recognizes that the neighborhood compatibility review process could be a constraint to residential development. However, Program 13, Zoning Code Review and Update will seek to streamline the site plan review process by engaging in one or more of the following: creating neighborhood compatibility guidelines; updating the site plan review checklist and/or creating objective design standards.

In Addition, Program 7, Continue to Encourage ADU Production, and Program 13, Zoning Code Review and Update will help reduce development processing times for dwelling units identified in the Sites Inventory. Program 7 will allow for ministerial approval of ADUs per State law and Program 13 will allow for by-right residential units meeting the Mixed-Use Overlay zone’s objective design standards.

b. Senate Bill (SB) 35

SB 35 provides provisions for streamlining projects based on a jurisdiction’s progress towards its RHNA and timely submittal of the Housing Element Annual Progress Report. When jurisdictions have insufficient progress toward their above moderate-income RHNA and/or have not submitted the latest Housing Element Annual Progress Report, these jurisdictions are subject to the streamlined ministerial approval process (SB 35 (Chapter 366, Statutes of 2017) streamlining) for proposed developments with at least 10% affordability.

HCD reviews the annual progress report deadlines and RHNA progress on an annual basis. Palos Verdes Estates is currently subject to SB 35 streamlining provisions when proposed developments include 10% affordability. Program 13 in the Housing Plan has been provided to incorporate written procedures to implement these mandatory streamlining provisions through the creation of Objective Design Standards. These streamlining provisions will reduce approval requirements for projects that include a minimum of 10% of units affordable to lower income households and that meet the criteria specified by State law.

c. Environmental Review

Environmental review is required for all development projects under the California Environmental Quality Act (CEQA). Most residential projects in Palos Verdes Estates are either Categorical Exempt or require an Initial Study and a Mitigated Negative Declaration. Developments that have the potential of creating significant impacts that cannot be mitigated require the preparation of an Environmental Impact Report. Once deemed complete, most residential projects that require a Mitigated Negative Declaration take two to three months to complete, inclusive of mandatory public review periods. Categorical Exempt developments require a minimal amount of time. As a result, state-mandated environmental review does not pose a significant constraint to housing development.

3. Development Fees and Improvement Requirements

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. The City and other public agencies charge various fees and assessments to cover the costs of processing permit applications and provide services and facilities such as schools, parks, and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit that will be derived. A Master Fee Schedule was adopted by Council on March 15, 2023, which can be accessed through the City’s website at: <https://www.pvestates.org/government/finance/city-fees>.

The City Council establishes user and regulatory fees to offset all, or portions of, the costs of providing various services that are of special benefit to applicants or service recipients that are both separate and apart from the general benefit to the public. Table IV-3 identifies the basic fees that apply to new residential construction in the City.

**Table IV-3
Planning and Development Fees**

Planning and Application Fees	Fee	Charge Basis
Site Plan Review/Revisions		
Minor Modifications (Discretionary Permits)	\$743	per application
Building Permit Plan Check - Major	\$491	per application
Building Permit Plan Check - Minor	\$284	per application
Neighborhood Compatibility Review		
Silhouette Required	\$6,760	per application
No Silhouette Required	\$5,042	per application
Neighborhood Compatibility Exemption	\$689	per application
Miscellaneous Application		
Staff Level Review: Mech Equip w/i Setback	\$574	per application
Staff Level Review: All Others	\$746	per application
Planning Commission Review: Encroachment in Right of Way	\$2,734	per application
Planning Commission Review: All Others	\$2,521	per application
Conceptual Project Review		
Administrative	\$321	per application
Planning Commission	\$1,257	per application
Coastal Development Permit		
Minor Permit (Waiver)	\$1,028	per application
Coastal Development Permit	\$3,664	per application
In Conjunction with Another Application (CUP, NC, Variance)	\$2,690	per application
Accessory Dwelling Unit		
Accessory Dwelling Unit Permit	\$1,148	per application
Landscape Plan Review		
Landscape Plan Review	\$1,148	per application
Conditional Use Permit		
Conditional Use Permit	\$4,305	per application
Conditional Use Permit Annual Review	\$195	per application
Environmental		
Initial Study	Cost+20% Adm	per application
Environmental Impact Review (EIR)	Cost+20% Adm	per application
Other Environmental Reviews	Cost+20% Adm	per application
Variance Application		
Variance Application	\$3,199	per application
Appeals		
Appeal of Admin Decision to Planning Commission	\$1,677	each
Appeal of Parkland Committee Recommendation	\$2,236	each
Appeal of Planning Commission Decision	\$2,795	each

Source: City of Palos Verdes Estates, 2021

Table IV-4 shows the estimated development fees associated with a single-family house and a 4-unit multifamily project.

Table IV-4

Residential Development Fee Summary

	Single-Family ¹	Multifamily ²
School Fees (Palos Verdes Peninsula Unified School District)	\$10,440	\$16,704
County sewer connection fee	\$1,978	\$4,640
Neighborhood Compatibility review fee	\$6,045	\$6,045
Art Jury fee	\$12,000	\$12,000
Grading application & permit	\$4,276	\$4,276
Building plan check	\$5,873	\$9,630
Soil/geology review	\$1,578	\$1,578
Building permit	\$7,831	\$12,840
Plumbing/electrical/mechanical permits	\$1,640	\$3,692
Total Fees per Unit	\$51,661	\$17,851
Est. Development Cost Per Unit	\$1,000,000	\$400,000
Est. Fees as % of Total Cost	5%	4%

1. Based on one 3,000-square-foot house on a legal lot

2. Based on a 4-unit multifamily project of 1,200 square feet each on a legal lot

City road standards vary by roadway designation as provided in Table IV-5. These standards are typical for cities in Los Angeles County and do not act as an unreasonable constraint to housing development.

Table IV-5

Road Improvement Standards

Roadway Designation	Standards
Arterial (Major and Secondary)	2 – 4 travel lanes Divided roadway Left-turn lands/pockets 60 – 80 ft road width 80 – 100 ft ROW
Collector Street	2 – 4 travel lanes Undivided roadway 32 – 52 ft road width 60 ft ROW
Local Street	2 travel lanes 36 – 40 ft road width 50 – 60 ft ROW

Source: City of Palos Verdes Estates, 2021

After the passage of Proposition 13 and its limitation on local governments’ property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installation that are reasonably related to the project. Dedication of

land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

The City's Capital Improvement Program (CIP) contains a schedule of public improvements including streets, bridges, overpasses and other public works projects to facilitate the continued build-out of the City's General Plan. The CIP helps to ensure that construction of public improvements is coordinated with private development.

Although development fees and improvement requirements increase the cost of housing, cities have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements and maintain community standards.

The candidate affordable housing sites in the Mixed Use-Overlay zone will be permitted by-right with objective design standards and will be subject to incentives such as reduced permit fees, increased number of stories (three stories within 35 feet), reduced parking requirements and expedited plan review.

B. Non-Governmental Constraints

The City supports the development of housing units that improve the availability of affordable and safe housing while also promoting housing that recognizes development constraints and hazards. Available land within the city faces the following unique challenges and physical constraints.

1. Private Deed Restrictions

All land in the City of Palos Verdes Estates is subject to private deed restrictions developed at the time the master planned Palos Verdes project was established. These restrictions include allowable land uses and architectural style. Thus, the potential for subdivision or intensification of use in most areas is quite low. Only those areas currently zoned R-M or C may be developed with multifamily units under the deed restrictions. The restrictions do allow for the establishment of dormitories or boarding houses in areas designated for commercial use and in a strip of residential lots adjacent to Palos Verdes Drive North in Tract No. 6887 in the northeasterly portion of the City.

Deed restrictions also apply to dedicated City open space referred to as Parklands. Thus, such areas would not be available for other uses, even if constraints posed by topography, infrastructure and other factors discussed below did not exist. Twenty-eight percent of the city consists of City Parklands protected by deed restrictions in perpetuity. These areas are protected from development as a land conservation effort with both stormwater and health benefits. Additionally, much of City Parklands exists within the Coastal Zone, an area protected by both the Coastal Commission and the City to maintain the coastal bluffs and marine environment as delicate natural resources.

These legally binding private restrictions were established prior to City incorporation. The Palos Verdes Homes Association (PVHA) currently oversees compliance with the deed restrictions. The PVHA operates independently from the City and consists of owners of property within the planned community subdivision, both inside and outside the boundaries of the city of Palos Verdes Estates. The City has no authority to alter or override the deed restrictions or the decisions of the PVHA.

The deed restrictions IV-14 establish standards for density, building height and lot coverage, which are similar to City standards. The restrictions permit mixed residential/commercial use in commercial areas and are silent regarding second family units, although maids' quarters and guest quarters are permitted. In addition, the deed restrictions address issues related primarily to aesthetics such as exterior building

materials, colors, and roof pitch. The restrictions do not dictate architectural style but specify that all buildings must have “good design”.

The deed restrictions operate as a constraint to additional development due to the specific development standards, the need to include PVHA Art Jury review in project design time frames, and the need to satisfy the standards of those individuals that may be serving on the Art Jury at a given time.

Any changes to a site that do not specifically conform to the restrictions must gain not only the approval of the PVHA but must be approved in writing by two-thirds of the owners of property within three hundred feet of the site in question. The City has no authority to modify or remove these restrictions.

If a property owner proceeds with any construction or improvements that have not been approved by the PVHA, the PVHA has the right to remove such construction or improvements and place a lien on the property. Under terms of the adopted protective restrictions, failure to conform to the restrictions could lead to loss of title.

2. Environmental Constraints

a. Topography

The city of Palos Verdes Estates is characterized by rugged terrain, with elevation changes of over 1,134 feet over the 3,038-acre city. Most remaining vacant land is steeply sloped. Construction in these areas would likely require extensive grading, sinking of caissons or pilings, or elaborate engineering solutions. Costs would vary according to site topography, site stability, the complexity of necessary engineering studies and surveys, and the physical improvements involved. City topography also renders emergency access difficult and constrains the ability to widen the city’s narrow residential streets, thereby inhibiting intensification of use. The City is home to several canyons, part of which are protected by deed-restricted City Parklands to remain open space in perpetuity; however numerous single-family property lines extend into these canyons. While a zoning map might imply opportunity for additional housing in these areas, once topography is added to the map, it becomes evident why this undeveloped land cannot safely be replaced with additional housing units. The monetary requirement to construct sound structures upon such steep slopes would not yield affordable housing units.

b. Natural Resources and Hazards

The Coastal Sage Scrub vegetative community exists on many of the open slopes in Palos Verdes Estates. This vegetation is recognized as habitat for the California gnatcatcher, a sensitive species for which preservation efforts are underway. Thus, development entailing habitat removal would be constrained.

Active earthquake fault zones within the city also impose significant environmental constraints, including the Palos Verdes Fault, Cabrillo Fault, and Newport-Inglewood Fault. The Public Safety Element policies address seismic risks.

In 2015, the City was forced to demolish several homes on Bluff Cove, where a 1983 landslide destroyed several others, due to an ongoing landslide. Additionally, a series of landslides at Christmas Tree Cove have forced Paseo Del Mar to downsize from a two-way street to just one lane. The edge of the cliff is now only ten feet from the new one-way street, surrounded by several homes. Any additional housing units in these areas could be a matter of fatal proportions.

3. Infrastructure Constraints

Roadways in Palos Verdes Estates are typically steep and winding, unsuitable for high traffic levels. The city does not contain any major arterials, nor are there any traffic signals. Thus, significant intensification of use in most areas could not be supported by the road network, particularly in consideration of emergency access and evacuation. In a few cases, such as Palos Verdes Drive North, roadway right-of-way is available for extra capacity. However, in some areas right-of-way is as narrow as 35 feet, and in others, roads abut steep banks which preclude widening. Further, little in the way of state funds is available to local governments for roadway improvement and other infrastructure. Thus, widening of narrow residential streets to handle additional traffic is neither physically nor financially feasible.

Due to access consideration, terrain, vegetation, and limited emergency access fire hazards acts as a constraint on additional development. The entire city of Palos Verdes Estates is within the Very High Fire Severity Zone as classified by the California Department of Forestry and Fire Protection. Senate Bill 35 recognizes the hazards associated with such classifications by exempting mandatory density provisions for Very High Fire Severity Zone communities. There are six points of vehicular ingress/egress at the City's borders (Palos Verdes Boulevard, Via Valmonte, Palos Verdes Drive North, Palos Verdes Drive West, and Granvia Altamira at two points) and the city is situated on a peninsula, limited in access by nature. An inability to exit the city in case of fire or another natural disaster may be exacerbated by an increase in housing units regardless of affordability. The City has acted to reduce fire threat through a ban on all shake roofs, unless they are Class A fire-rated, and by implementing an aggressive brush abatement program in and adjacent to residential areas.

Most areas of the City are served by a sanitary sewer system and no problems currently exist due to inadequate water and sewer capacity. However, water and sewer mains were master planned to serve only the levels of development contemplated under the existing deed restrictions, which consists of single-family development on existing lots in all locations except in and adjacent to the Malaga Cove and Lunada Bay commercial districts. Thus, intensification of development beyond that provided under current planning and zoning policies in this area could require infrastructure improvements.

Program 11 would add emergency shelters to the allowable uses in commercial buildings but would not increase the allowable amount of development or introduce uses that would generate a higher level of demand on utilities and service systems than would be generated by other types of uses in commercial buildings. Therefore, these changes would not result in the construction of new or expanded electricity, natural gas, or telecommunications facilities and existing water and wastewater treatment capacity would be adequate to serve the level of development identified in the Regional Housing Needs Assessment.

4. Land Costs

The limited supply of land coupled with a strong demand for coastal and view properties results in a high cost of land throughout the city. Land prices in the Palos Verdes Estates area vary according to views enjoyed from the property and proximity to the shoreline. View lots across the Palos Verdes Peninsula are currently advertised at over \$300 per square foot, or \$3.5 million per acre. Thus, land cost is a major obstacle for affordable housing.

5. Construction Costs

Construction costs vary according to the type of material used and the amenities provided. The cost for basic construction is about \$200 per square foot. However, construction prices can easily exceed \$450 to \$650 per square foot for high-quality construction providing greater amenities.

Developers may use luxury construction and build larger units to balance high land costs. This is because the land price alone will cause a dwelling to have a fairly high price. Buyers paying higher prices have expectations for greater amenities, which in turn leads to a greater increase in per unit cost.

While per-unit land cost can be reduced through higher density, other constraints such as private deed restrictions and environmental complexities can limit potential densities.

City infrastructure costs do not normally add to construction costs. Because vacant land consists of individual vacant lots in developed areas, infrastructure is already installed. However, many lots do not have large flat pads for home construction and extensive grading may be required to provide a building, thus adding significantly to the cost of development. Grading and engineering for a single lot may easily cost tens of thousands of dollars or more.

6. Cost and Availability of Financing

Palos Verdes Estates is similar to most other suburban communities in southern California with regard to private sector home financing programs. Until recently, mortgage interest rates were at historically low levels, although the long-term trend is unpredictable.

Under state law, it is illegal for real estate lending institutions to discriminate against entire neighborhoods in lending practices because of the physical or economic conditions in the area (“redlining”). The City is not aware of any evidence to suggest that redlining is practiced in any area of the city.

The following are valuable resources in assisting in the development of affordable housing and down payment assistance:

Density Bonus Program

State law requires that local governments grant density bonuses of at least twenty percent plus additional incentives to facilitate the economic feasibility of affordable housing projects. Density bonuses and incentives are available to developers who agree to construct at least:

- A. Ten percent of the units affordable to lower income households;
- B. Five percent of the units affordable to very low-income households;
- C. Senior citizen housing containing a minimum of thirty-five dwelling units; or
- D. Ten percent of the total dwelling units in a common interest development affordable to moderate income households; provided, that all the units in the development are offered for purchase. (Ord. 700 § 2 (Exh. 1), 2012)0

California Housing Finance Agency (CalHFA)

CalHFA offers permanent financing for new construction of affordable housing opportunities or acquisition and rehabilitation financing to for-profit, nonprofit, and public agency developers seeking to preserve “at-risk” housing units. In addition, CalHFA offers low-interest predevelopment loans to

nonprofit sponsors through its acquisition/rehabilitation program. The Single-Family Division also provides first-time homebuyer assistance through mortgage loans and down payment assistance. CalHFA offers both government loans and conventional loans.

7. Requests for Lower Development Densities

Given that the majority of the land in Palos Verdes Estates is zoned for single family development, the development history suggests that future development may be low density development. However, the sites in the sites inventory are located near or on commercial centers, ideal locations for multi-family development. Program 13 would provide by-right approval of projects in which at least 20 percent of the units as housing affordable to lower income households, removing many constraints to allow for developments that are compatible with the existing uses at 25 to 30 dwelling units per acre. In addition, it is anticipated that the development of ADUs will help satisfy the City's RHNA where requests for lower development densities are not applicable. As a result, it is unlikely that requests for lower densities will be made, especially given the high cost and limited availability of vacant land.

There have been no recent developments of more than one single family home or multifamily homes. Recent development patterns are limited to single family rebuilds, additions and ADUs.

Government Code Section 65863 requires a jurisdiction to ensure that its Housing Element sites inventory can accommodate its RHNA allocation by income level within the planning period. If a city approves a housing project at a lower density or with fewer units by income category than identified in the Housing Element, it must quantify the remaining unmet housing need at each income level at the time of approval and determine whether there is adequate capacity to meet that need. If not, the city must identify and make available additional adequate sites to accommodate their share of housing need by income level within 180 days of approving the reduced-density project.

Applications for developments with densities lower than what is established in the sites inventory are currently not incentivized. However, the Overlay Zone created by Program 13 will allow for by right residential development at the three identified sites, which is an incentive in itself. In addition, all development will be tracked per Annual Progress Reports (APRs) requirements. If a site is not developed to its total capacity as described in the sites inventory, the tracking mechanism of the APR will allow the unit shortfall to be developed on other site(s) in the future.

C. Affirmatively Furthering Fair Housing

Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021, must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015.

Under State law, affirmatively further fair housing means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics."

According to the California Department of Housing and Community Development technical guidance document, dated April 2021, there are four parts to this requirement:

1. Outreach. A diligent effort must be made to equitably include all community stakeholders in the Housing Element public participation process.

2. Conduct an Assessment of Fair Housing. This should include an assessment of fair housing within the housing needs section of the Housing Element and should include an analysis of fair housing issues in the city including existing segregation and inclusion trends and an analysis of available federal, state, and local data and local knowledge to identify current fair housing issues.
3. Site Analysis. Evaluate and address how particular sites available for development of housing will meet the needs of households at all income levels and will Affirmatively Further Fair Housing by replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.
4. Priorities, Goals, and Actions. Based on the findings from the needs assessment and the site inventory analysis with respect to Affirmatively Furthering Fair Housing, the city will assess contributing factors to fair housing barriers and adopt policies with programs that remediate identified fair housing issues and/or further promote fair housing.

In compliance with AB 686, the City has completed the following outreach and analysis. A more detailed analysis can be found in Appendix E, Affirmatively Furthering Fair Housing.

Outreach

As documented in Appendix E, the City held a total of twelve public meetings during the Housing Element update in an effort to include all segments of the community and engage key stakeholders. Each meeting was publicized on the City's website and meeting notices were also sent to persons and organizations with expertise in affordable housing and supportive services such as the Jamboree Housing Corporation, the Arc-South Bay, and Rebuilding Together South Bay Los Angeles, among others. Interested parties had the opportunity to interact with City staff throughout the Housing Element update process and provide direct feedback regarding fair housing issues. These groups were contacted again prior to the public review draft in July 2023, however the City received no responses.

One of the main objectives of the State's Affirmatively Further Fair Housing (AFFH) requirements, is to avoid the concentration of lower income housing in a single location. Therefore, facilitating opportunities for lower income households on sites distributed throughout the City meets AFFH objectives. For this reason, the City conducted an ADU survey.

The City also created a dedicated web page for the Housing Element update (<https://www.pvestates.org/services/planning/2021-update>) and provide opportunities for interested persons to participate in public meetings remotely, which made it possible for those with disabilities limiting their travel to participate and comment on the Housing Element regardless of their ability to attend the workshop.

Assessment of Fair Housing

An assessment of fair housing, which includes analysis of geographic data regarding racial segregation, poverty, persons with disabilities, and areas of opportunity as identified by the TCAC/HCD Opportunity Areas map, can be found in Appendix E.

Sites Analysis

A full analysis of specific sites is included within Appendix D and analyzes how particular sites are available for development of housing to meet the needs of households at all income levels.

Priorities, Goals, and Actions

The Housing Plan within Section V sets forth policies with programs to help remediate identified fair housing issues and to help promote fair housing.

Conclusion

This analysis shows that the primary barrier to fair housing in the city is high housing cost, which has the effect of limiting access by lower-income households to the high opportunities and resources available in Palos Verdes Estates. There is no evidence to suggest that discrimination against racial groups or persons with disabilities is a major issue.

The Housing Plan (Section V) includes Program 3 to encourage and facilitate mixed commercial and residential use in commercial areas, which can accommodate low- and moderate-income housing, and Program 7 to encourage the provision of accessory dwelling units, which can expand affordable housing opportunities for lower-income persons such as caregivers, household employees, and others working in service occupations. Program 10 describes actions the City will take to affirmatively further fair housing and address any issues of housing discrimination that may arise. See Appendix E for a full analysis of the City's efforts to Affirmatively Further Fair Housing.

V. HOUSING PLAN

The primary focus of the Housing Element is to meet existing and anticipated housing needs and to protect existing residential neighborhoods in Palos Verdes Estates. The policies and implementation measures of the Housing Element are aimed at preserving the quality of the living environment, conserving the existing housing stock, addressing local and regional housing needs, providing for the City's share of housing for all economic groups, providing housing assistance to lower-income residents, and affirmatively furthering fair housing. The City's quantified objectives for the planning period are summarized in Table V-1 at the end of this chapter.

A. Goals, Policies and Programs

GOAL I. Preserve the quality of existing neighborhoods.

Policy 1. Preserve the scale of development in existing residential neighborhoods.

Policy 2. Encourage the maintenance of existing dwellings.

Program 1. Continue to enforce provisions of the Zoning Code, Neighborhood Compatibility, and Specific Development Plan requirements which specify regulations for height, lot coverage, setbacks, and open space.

Implementation responsibility: Planning & Code Enforcement Divisions

Funding: General fund, application fees, administrative citations

Schedule: Continuing

Objective: 100% Code compliance

GOAL II. Provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.

Policy 3. Provide adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.

Program 2. Continue to allow infill in residential areas.

Development of existing vacant residential infill sites would result in the production of approximately 41 additional single family dwelling units, assuming that all sites are buildable. It is expected that detached homes would generally be affordable only for upper-income households.

Implementation responsibility: Community Development & Public Works Departments

Funding: No funding needed

Schedule: Continuing

Objective: 16 new housing units during the planning period

Program 3. Encourage and facilitate mixed commercial and residential use in commercial areas.

In recent years, mixed-use development has become increasingly attractive to consumers. Where demand exists for residential uses, this can facilitate the delivery of housing. In a mixed-use project, the provision of an accompanying commercial use can help absorb some of the fixed costs of development, thereby facilitating the production of lower-cost units.

Further, existing structures can be adapted to residential use, reducing costs associated with new construction. Existing space at Malaga Cove and Lunada Bay could potentially undergo conversion. Such use is permitted under the City's Zoning Code and under the Palos Verdes Estates Protective Restrictions administered by the Homes Association. Consistent with the minimum affordability standards provided under Government Code §65915, the City will facilitate mixed-use development through expedited processing, waiver of fees, or other incentives where affordable housing is provided. To the extent feasible, the City will encourage and facilitate the production of housing for extremely-low-income persons and persons with disabilities, including developmental disabilities.

In order to encourage the consolidation of small lots to enhance the feasibility of affordable housing development, as adopted by Ordinance No. O12-700, the City will continue to provide a lot consolidation incentive that allows an additional density increase of 5% for mixed-use projects that consolidate two or more small lots less than one acre in size into a single building site of at least 1.0 acre and the minimum affordability requirements of state density bonus law are achieved.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Ongoing

Objective: 10 new units in mixed use areas

Policy 4. Preserve existing affordable housing stock.

Program 4. Regulate the conversion or demolition of rental housing.

State law (Government Code 66300) prohibits the approval of any housing development project that would demolish lower-income units unless the development would replace those units, among other requirements. Existing multi-family rental units in the city provide housing at more affordable cost than ownership condominium units or single-family units and are an important resource that should be preserved. The City will facilitate the preservation of existing lower-income rental housing units consistent with the provisions of Government Code 66300 throughout the planning period.

Implementation responsibility: Planning Division

Funding: General fund

Schedule: Continuing

Objective: Preserve lower-income rental housing opportunities

Policy 5. Encourage the development of additional low- and moderate-income housing.

Program 5. Continue efforts to streamline the development process to the extent feasible.

The City will continue to provide concurrent processing of all discretionary applications for a project, thereby streamlining the development process, and continue to process Coastal Development Permits at the local level, thereby simplifying the permit process. These measures can reduce development timeframes thereby reducing costs due to interest for project financing and builders' staff time.

To the extent feasible, the City will encourage and facilitate the production of housing affordable to special needs¹¹, extremely-low-income persons, and persons with disabilities, including developmental disabilities through the provision of incentives such as expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Continuing

Objective: Efficient development processing

Program 6. Continue to allow the establishment of manufactured housing on single-family residential lots not occupied by another dwelling.

Consistent with State law, manufactured housing is permitted on single-family lots not occupied by another dwelling. Manufactured housing may result in substantial savings per square foot over conventional construction. Many newer pre-manufactured homes or modules are similar in appearance to site-built homes. The City will continue to allow manufactured housing consistent with the provisions of State law. Manufactured housing is subject to the same development process and CC&R's as traditional single-family homes in the same zone.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Continuing

Objective: Continue to allow manufactured housing consistent with State law

Program 7. Production, Monitoring and Incentives for accessory dwelling units

State law provides for the development of accessory dwelling units (ADUs) in residential areas. The City's ADU regulations were revised in 2020 to incorporate recent changes to state ADU law.

To facilitate development of ADUs the City will continue to provide information, such as information regarding the CalHFA ADU grant program, to assist applicants with the permit process at the public counter and on the City website. Property owners wanting to build an ADU will continue to submit their application directly to the building department.

The City intends to meet a portion of its Regional Housing Needs Allocation units through privately constructed and rented ADUs on sites distributed throughout the city. Creating opportunities for lower income households on dispersed sites supports the State's

¹¹ Special needs are those associated with specific demographic or occupational groups that call for specific program responses, such as preservation of single-room occupancy hotels or the development of units with larger bedroom counts. The statute specifically requires analysis of the special housing needs of people who are elderly or disabled (including developmental disabilities), female-headed households, large families, farmworkers, and people experiencing homelessness. These special-needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances. In addition to the groups listed above, the analysis of special needs should also include any other group the locality deems appropriate such as student populations, Native American tribes, people with HIV/AIDS, etc.

Affirmatively Further Fair Housing (AFFH) objective to avoid the concentration of lower income housing in a single location.

ADU Monitoring. The City will monitor ADU construction and affordability as part of the Annual Progress Reporting process during the planning period and make adjustments as every 24 months if assumptions of 10 ADUs per year are not met. Adjustments may include additional incentives, assisting with funding, modification to development standards, technical assistance and permit procedures and rezoning, as appropriate.

ADU Amnesty. The City will offer an ADU amnesty program in which unpermitted ADUs can be permitted. This ADU amnesty program will be available through June 2026.

Pre-Approved ADU Plans. The City will coordinate with the PVHA regarding the potential to develop a menu of pre-approved ADU plans for PVE residents. Plans would be created to meet neighborhood compatibility concerns. Pre-approved plans may help reduce design and construction costs which could make ADUs more feasible and allow them to be rented more affordably.

Incentives. The City will develop incentives for ADU construction such as reduced fees and expedited permit processing.

Implementation responsibility: Planning Division

Funding: General fund, application fees

Schedule: Ongoing; adjustments every 2 years

Quantified Objective: 10 ADUs per year

Program 8. Continue to implement density bonus incentives consistent with State law.

In accordance with Government Code §65915, a city must provide a density bonus or other incentives when an applicant agrees to provide affordable housing. The City will continue to encourage the production of affordable housing by updating the City's Density Bonus ordinance (Municipal Code Chapter 18.68) consistent with State law.

Implementation responsibility: Community Development Department

Funding: General fund, application fees

Schedule: Municipal Code amendment in 2021

Objective: 3 density bonus units

Policy 6. Encourage means of increasing ability to afford existing housing stock.

Program 9. Encourage shared housing programs.

Shared housing allows homeowners to offset their housing costs by receiving rent and/ or provides assistance in managing housing duties. Home sharing is also a resource for lower income households such as college-aged students and young adults, caregivers, domestic workers, landscapers and building industry workers, childcare workers, teachers and other public service employees. It can also be a resource for seniors who may not want to live alone or cannot afford to live alone.

There are two nearby home sharing programs: Focal Point at the South Bay Senior Services Center in Torrance and the Anderson Senior Center in San Pedro. These centers offer

resources to assist seniors locate roommates and make senior roommate matches based on telephone requests.

Other home sharing resources include SHARE! Collaborative Housing, a public-private partnership supporting shared single-family housing for persons with disabilities in Los Angeles County; Affordable Living for the Aging, which matches younger single tenants with seniors in Los Angeles County; and Los Angeles County HomeShare, which serves residents of all ages throughout the County. There are also private fee-based services such as Silverleaf.

Sharing a housing unit by two or more roommates can render housing affordable to persons who could not otherwise afford housing individually due to the ability to share housing costs among roommates. This could be of particular benefit to individuals with disabilities who need occasional assistance or female-headed households seeking additional security. As noted in the analysis of housing needs, housing affordability is a problem for very-low-income seniors residing in the city. The City works with Silvernest and the City's Senior Program, PVE-CARES (Palos Verdes Estates - Care, Assistance Resources, Education, and Socials) to help organize shared housing for seniors.

Implementation responsibility: City Manager's designee

Funding: General fund

Schedule: Ongoing

Objective: At least six households participating in home sharing per year. Continue to promote PVE-CARES and senior home sharing through the City website and flyers on City bulletin boards.

Policy 7. Continue to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability, national origin, or color.

Program 10. Affirmatively furthering fair housing.

In addition to accommodating the RHNA, the City will implement a suite of actions to improve housing mobility and new choices and affordability within the City and into the City with a goal of 100 housing opportunities affordable to lower-income, senior and special needs households. Actions include but are not limited to:

- Program 3. Encourage and facilitate mixed commercial and residential use in commercial areas.
- Program 7. Production, Monitoring and Incentives for accessory dwelling units.
- Program 9. Encourage shared housing programs.
- Program 13G. Explore flexible development standards to allow for increased density.
- Program 14. Provide information, resources and incentives for repurposing existing space within a primary residence to independent living quarters.
- Provide Fair Housing Information. The City will continue to post State regulations at City Hall and at the Library regarding fair housing together with the appropriate

contact information regarding housing discrimination problems and post copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints, along with contact information for DFEH.

- Funding for Homeownership. The City will investigate funding sources for a homeownership assistance program. The City will explore the possibility of providing assistance to lower- and moderate-income households and will give priority to those who work in the city, such as teachers, police officers, City government employees and office workers. The City will prioritize the use of identified funding to expand homeownership opportunities for lower- and moderate-income households.
- Accessibility Improvements: Research and pursue funding opportunities at least every other year to make accessibility improvements to homes and community infrastructure.
- Develop incentives or other strategies to promote housing choices and affordability throughout the City.
- Mid-term evaluation: In 2026, evaluate the effectiveness of these strategies in promoting housing opportunities throughout the City and make adjustments, including, but not limited to, rezoning additional multifamily sites, within one year to achieve the overall goal of 100 units.

Implementation responsibility: City Manager's designee

Funding: General fund, application fees

Schedule: Ongoing

Objective: Pursue a suite of actions and target areas outside of the Focus Areas, including prioritizing resources, outreach and other strategies in the eastern and southern portions of the City with an overall goal of 100 housing opportunities affordable to lower income households in the planning period. Investigate potential funding sources for a homeownership assistance program. Identify potential funding sources by 2026 and assist four households by 2029.

Program 11. Emergency shelters, transitional/supportive housing, community care facilities, SROs, agricultural employee housing, and reasonable accommodation for persons with disabilities.

State law requires all cities to adopt regulations to encourage housing for families of all income levels and persons with special needs. The City Municipal Code establishes regulations for emergency shelters, transitional and supportive housing, residential care facilities, single room occupancy, and employee housing consistent with State law.

State law also requires cities to allow reasonable accommodation for persons with disabilities in the administration of planning and building regulations. The City will continue to review and approve requests for reasonable accommodation consistent with State law.

In 2018, AB 2162 amended State law to require that supportive housing be permitted by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria.

AB 101 (2019) added the requirement that low barrier navigation centers meeting specified standards be allowed by-right in areas zoned for mixed use and in non-residential zones permitting multi-family uses pursuant to Government Code §65660 et seq.

An amendment to the Municipal Code will be processed to incorporate the requirements of AB 2162 and AB 101 consistent with State law. In addition, the City will revise zoning and permit procedures to allow group homes of seven or more in all zones allowing residential uses and only subject to objective standards similar to other residential uses of the same type in the same zone.

The City will continue to permit emergency shelters in the C zone without discretionary action and will expand the definition of emergency shelters to include interim interventions, including but not limited to, a navigation center, bridge housing and respite or recuperative care.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Code amendments in 2024

Objective: Establish regulations and procedures for supportive housing and low barrier navigation centers consistent with State law.

Program 12. Lot Consolidation.

The majority of parcels in the City, like many communities throughout the region, are smaller than one-half acre in size.

To further encourage lot consolidation for affordable housing on HO-O and MU-O candidate sites, the City will evaluate and establish incentives for projects that propose lot consolidation, such as an additional density increase of 5%, expedited plan review and/or reduced permit fees. The City shall have full authority in determining compliance with the project-specific incentives. Program 12 will include a bi-annual review to determine the program's effectiveness and to make adjustments, as necessary.

Implementation responsibility: Planning

Funding: General fund

Schedule: Ongoing implementation and annual reporting throughout the planning period.

Objective: Evaluate and establish incentives by 2025 that will facilitate lot consolidation and increase the overall feasibility of affordable housing projects on candidate sites in the MU-O zone and HO-O, including additional density increases, a reduction of the application fee for parcel mergers or development of conceptual plans on consolidated lots. By 2026, evaluate the effectiveness of incentives in facilitate lot consolidation and if not effective, take additional action by 2027, including additional increases and other incentives such as funding and relaxed development standards.

Program 13. Zoning Code Review and Update.

Increase opportunities for the development of market rate, affordable, including lower income and special needs housing by modifying zoning code standards and programs. The update shall address the following.

- A. Emergency Shelter Parking: The Zoning Code will be updated to require sufficient parking to accommodate all staff working in an emergency shelter, provided that the standards will not require more parking for emergency shelters than other residential or commercial uses within the same zone, in compliance with AB 139.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Code amendments in 2024

Objective: Establish regulations and procedures for supportive housing and low barrier navigation centers consistent with State law.

- B. Streamlined and Ministerial Review for Eligible Affordable Housing Projects: The Zoning Code will be updated to ensure that eligible multifamily projects with an affordable housing component, such as candidate Housing Opportunity Overlay and Mixed Use Overlay sites, are provided streamlined review and are subject to objective design standards consistent with relevant provisions of SB 35 and SB 330, as provided for by applicable sections of the Government Code, including but not limited to Sections 65905.5, 65913.4, 65940, 65941.1, 65950, and 66300. State law defines objective design standards as those that “involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant and public official prior to submittal.” The City will prepare objective design standards as part of this program. The objective design standards will prescribe the optimum standards, such as reduced parking requirements, reduced setbacks, additional stories and no minimum unit sizes, to allow for development in the Overlay zones.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Code amendments by mid-2025

Objective: Maintain a Zoning Code that is consistent with State law

- C. Create two Housing Overlay Zones. For the 6th cycle Housing Element, the City is assigned a RHNA of 183 units (78 very low income, 41 low income, 45 moderate income, and 19 above moderate-income units). In addition, the City has incurred a carryover of 16 lower income units (4 very low income, 3 low income, 3 moderate income, and 6 above moderate-income units) from the 5th cycle Housing Element. Therefore, the City has a total RHNA obligation of 199 units (82 very low income, 44 low income, 48 moderate income, and 25 above moderate-income units). Based on the sites inventory and projected ADUs, the City is able to accommodate 271 units (145 very low and low income, 57 moderate income, and 68 above moderate-income units).

To accommodate the shortfall carryover from the 5th cycle, the City has identified three candidate sites within five parcels for overlay zoning (see Table III-3).

- a. Mixed-Use Overlay (MU-O) zone. Two candidate sites will be rezoned with a Mixed-Use Overlay (MU-O) zone with a density range of 25-30 units per acre. These candidate sites can accommodate at least 34 units at the minimum density of 25 du/ac. Consistent with the requirements of Government Code § 65863, providing for the lower income RHNA shortfall must permit ownership and rental housing and each site (can be comprised of multiple parcels) must be able to accommodate at least 16 units per site and meet residential performance standard requirements including allowing 100 percent residential uses and requiring at least seventy percent of the floor area for residential uses pursuant to Government Code section 65583.2, subdivision (h). Furthermore, the City must provide by-right approval of projects that include 20 percent of the units as housing affordable to lower income households and establish or modify development standards as appropriate to achieve maximum densities.
- b. Housing Opportunity – Overlay Zone. One candidate site will be rezoned with a Housing Opportunity - Overlay (HO-O) zone with a density range of 20-25 units per acre. This candidate site can accommodate at least 92 units at the minimum density of 20 du/ac. Consistent with the requirements of Government Code § 65863, providing for the lower income RHNA shortfall must permit ownership and rental housing and each site (can be comprised of multiple parcels) must be able to accommodate at least 16 units per site and meet residential performance standard requirements including allowing 100 percent residential uses and requiring at least of the floor area for residential uses pursuant to Government Code section 65583.2, subdivision (h). Furthermore, the City must provide by-right approval of projects that include 20 percent of the units as housing affordable to lower income households and establish or modify development standards as appropriate to achieve maximum densities.

The overlay zones would provide the following incentives in exchange for providing 20% affordable units (very low and low income) on these sites:

- 1 Ministerial review
- 2 Increased densities
- 3 Increased number of stories
- 4 Reduced setbacks
- 5 Increased floor area ratios
- 6 Reduced Parking Ratios
- 7 Reduced project-specific open space standards
- 8 As an additional incentive, developers can access state density bonus law, including by right alternative parking standards, in addition to using the densities allowed in the Overlay.

The overlay zones would allow for by-right residential uses subject to objective design standards.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Rezone by mid-2025

Objective: Implement the sites inventory and meet the RHNA requirement by 2029.

- D. Monitor and Adjust Sites Inventory as necessary. Site 2 of the Sites Inventory is subject to long term leases for one or more of the existing tenants. However, since the site will be rezoned with a Mixed-Use Overlay, there is potential for said tenants to continue operating in a vertically mixed-use condition. Site 3 of the Sites Inventory is subject to private deed restrictions prohibiting multi-family development. As described in section IV.B, almost all the land within the City is subject to deed restrictions prohibiting multi-family development and the City has no authority to alter or remove these private deed restrictions. Therefore, the City will monitor Sites 2 and 3 and will take one of the following actions within one year if the long-term leases and/or deed restrictions prohibiting multi-family development remain in place by December 2026:

- a. Identify alternative site(s) and/or
- b. Rezone site(s) or areas

Alternative sites or rezoned areas will be at least of equivalent size, capacity and allowable densities and will be suitable for development in the planning period and existing uses will not constitute an impediment to additional development in the planning period.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Ongoing

Objective: Implement the sites inventory

- E. Preserve the maximum height of 35-feet while allowing three stories in R-M zones and sites available for the Housing Opportunity and Mixed-Use Overlay designations.

Implementation responsibility: Planning

Funding: General fund, application fees, administrative citations

Schedule: The goal for implementation of this program is fourth quarter 2025.

Objective: Maintain a Zoning Code that is consistent with State law and update the Zoning Code throughout the planning period as needed to comply with future changes.

- F. Increase development certainty for applicants. The City will strive to establish development permit approval certainty for applicants. This may include one or more of the following options: the creation of a neighborhood compatibility guidebook, Objective design standards, and/or a realistic development timeframe for permit approval. This program will be implemented by the fourth quarter 2025.

Implementation responsibility: Planning

Funding: General fund, application fees

Schedule: The goal for implementation of this program is fourth quarter 2025.

Objective: Maintain a Zoning Code that is consistent with State law and update the Zoning Code throughout the planning period as needed to comply with Housing Element law and future changes. Update the Zoning Code to provide applicants with more development certainty.

- G. Explore flexible development standards to allow for increased density. The City will amend the zoning code to permit flexible development standards that would allow for increased residential density and potentially reduced construction costs for affordable housing projects. Flexible development standards will at least include the following:
- a. reducing the minimum unit size for a 1-bedroom unit from 750 square feet to 600-650 square feet, a 2-bedroom unit from 950 to 750 square feet and a 3-bedroom from 1,050 to 1,000 square feet
 - b. reducing multifamily parking requirements from 2 spaces per 1-bedroom plus 0.5 spaces for each additional bedroom and 0.25 guest spaces per unit to 1 space for a studio, 1.5 space for a 1 bedroom, 2 spaces for a 2 bedroom and 2.5 spaces for a 3 bedroom, inclusive of guest parking.

Implementation responsibility: Planning Department

Funding: General fund, application fees

Schedule: The goal for implementation of this program is fourth quarter 2025.

Objective: Maintain a Zoning Code that is consistent with State law and update the Zoning Code throughout the planning period as needed to comply with Housing Element law and future changes.

Program 14. Provide information, resources and incentives for repurposing existing space within a primary residence to independent living quarters.

Create new affordable housing opportunities by offering information, resources and incentives for repurposing or converting existing space within a primary home to independent living quarters. This program will be available for all households and prioritized for seniors and/or caregivers to allow the ability age in place. Potential incentives would include, but not be limited to, prioritized processing and fee waivers or deferrals. Zoning amendments will be completed as necessary to allow conversion of existing or new single family uses up to four independent living quarters in addition to complying with ADU Law (Government Code Sections 65852.2 and 655852.22).

Implementation responsibility: City Manager or Designee

Funding: General fund, application fees

Schedule: Create program by December 2025.

Objective: Assist five households per year by 2026.

GOAL III. Provide a safe and healthful living environment for City residents.

Policy 8. Eliminate potentially unsafe or unhealthful conditions in existing development.

Program 15. Pursue a pro-active code enforcement program for substandard dwelling units.

Title 8 of the Municipal Code constitutes the City of Palos Verdes Estates Health Code and Chapter 8 provides for abatement of substandard conditions. The City addresses substandard buildings under Municipal Code Chapter 8.36, Substandard Premises, and nuisances in general under Chapter 8.48. Chapter 8.36 addresses the following:

- Substantially deteriorated structures
- Broken windows
- Unstable landforms
- Storing inoperable vehicles
- Graffiti
- Overgrown or dead vegetation
- Partially completed building where work has ceased, and permits have expired.

Chapter 8.48 addresses the following:

- Unstable landforms, improper drainage
- Partially destroyed, partially constructed or abandoned buildings
- Broken windows
- Overgrown, dead, decayed or hazardous vegetation which may harbor vermin or obstructs vehicular sight lines
- Danger or attractive nuisance to the public
- Accumulation of trash, debris, and other refuse
- Deteriorated parking lots or driveways
- Abandoned pools, ponds, excavations, and other holes
- Construction debris storage bins
- Livestock and other animals
- Overcrowded housing, as defined by the Uniform Housing Code
- Housing which lacks adequate ventilation, sanitation or plumbing facilities, or which constitutes a fire hazard

Implementation responsibility: Code Enforcement Division

Funding: General fund, administrative citations

Schedule: Ongoing

Objective: Eliminate all substandard conditions

Program 16. Continue to strictly monitor and regulate landform modifications in the City.

Landform modification is addressed through the City's grading permit process, which requires approval of a grading plan and grading permit for landform modification for approval by both Planning Commission and the Public Works Department.

Implementation responsibility: Community Development & Public Works Departments

Funding: General fund, application fees

Schedule: Ongoing

Objective: Permit no unsafe landform modification

GOAL IV. Encourage the conservation of energy in new housing.

Policy 9. Reduce energy loss due to inferior construction techniques.

Program 17. Continue to require all new projects to conform to the requirements of Title 24 of the California Administrative Code.

The City has adopted the most current editions of all California Codes. Title 24 contains specific requirements for construction techniques which result in energy savings of approximately 50 percent when compared to standard techniques utilized prior to enactment of current standards. Under State law, individual jurisdictions may develop local standards which exceed the requirements of Title 24.

Implementation responsibility: Building Division

Funding: General fund, application fees

Schedule: Ongoing

Objective: All new structures to conform to current energy conservation standards

Policy 10. Encourage residents to conserve energy.

Program 18. Support public utility companies in their efforts to educate the public in means of energy conservation.

Local utility companies regularly circulate information regarding energy conservation to their residential customers. To support such programs, the City will allow posting of energy conservation materials on publicly owned bulletin boards and adopt proclamations of support in order to publicize conservation efforts.

Implementation responsibility: City Manager's designee

Funding: General fund

Schedule: Ongoing

Objective: Not applicable

Program 19. Consider waiver of permit fees for installation of alternate energy facilities for residential use.

Solar panels may be utilized for heating homes or domestic water or may be utilized to generate electricity. While the earliest solar panels would not likely meet the architectural standards of the Homes Association, newer solar devices are generally more desirable. Some systems closely resemble conventional roof shingles. These are usually most practical to install at the time a new roof is installed.

Many communities have developed sustainable building programs under which building permit or inspection fees for energy- and water-saving devices are waived. In order to encourage alternate energy use, the City will consider a similar fee waiver.

Implementation responsibility: Community Development Department

Funding: General fund

Schedule: Institute trial program in the fiscal year following adoption of this element

Objective: 10 solar systems per year

B. Quantified Objectives

The City's quantified objectives for new construction, rehabilitation and conservation are presented in Table V-1. The City expects to be able to accelerate its new construction activities based on significant ADU trends in recent years. The new construction objectives will align with the RHNA numbers that appear earlier in the Housing Element. The City has no significant source of housing funds and no assisted affordable housing units, therefore no objectives for affordable housing are established. The rehabilitation

objective is to assist 213 (10 percent) senior households (65+) over the eight-year period. The City’s Code Enforcement Division currently monitors for violations, including homes in need of rehabilitation and will assist in this effort. The conservation/preservation objective is to preserve housing for 100 percent of the city’s existing housing stock. There are no housing units in Palos Verdes that are at risk of conversion from affordable to market-rate.

**Table V-1
Quantified Objectives (2021-2029)**

	Income Category				Totals
	V. Low	Low	Mod	Upper	
New construction*	82*	44	48	25	199
Rehabilitation	0	0	202	11	213
Conservation/Preservation	0	0	339	4,961	5,300

*41 of these are extremely-low category pursuant to AB 2634

APPENDIX A

Evaluation of the Prior Housing Element

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. This appendix contains a review of the housing goals, policies, and programs of the previous Housing Element, and evaluates the degree to which these programs have been implemented during the previous planning period, 2013 through 2021. This analysis also includes an assessment of the appropriateness of goals, objectives and policies. The findings from this evaluation have been instrumental in determining the City's 2021-2029 Housing Plan.

Table A-1 summarizes the programs contained in the previous Housing Element along with the source of funding, program objectives, accomplishments, and implications for future policies and actions.

Table A-2 summarizes residential development in the city during the previous RHNA period 2013-2021.

Table A-3 presents the City's progress in meeting the quantified objectives from the previous Housing Element.

A. Program Evaluation for Households with Special Needs

As part of the review of programs in the past housing cycle, this section evaluates of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers and persons experiencing homelessness). According to the 2021-2029 Housing Needs Assessment, there is not a significant housing need associated with large households, farm workers, female-headed households, or homeless persons in Palos Verdes Estates. Palos Verdes Estates has placed the greatest emphasis on meeting the needs of the elderly population and persons with disabilities, the largest special needs populations in the City.

As shown in Table A-1 below, the Goal II of the Housing Element is to provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.

Programs 3, 7 and 8 encourage the increase of affordable housing stock in mixed use developments, ADUs and utilization of density bonus incentives respectively. The existing mixed-use developments have remained and between June 2020 and August 2021, 12 ADUs received building permits.

Program 4 is to regulate the conversion or demolition of rental housing stock to preserve existing affordable housing within the City. CHAS HUD data indicates that 90% of renters are paying 50% or more of their income for housing. The retention and increase of rental units may lower the cost of rent for cost burdened populations. During the 5th housing cycle, no rental units were converted to condos or demolished.

Program 5 encourages the production of affordable housing through the provision of incentives such as expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915. Between 2018-2022 forty ADUs were permitted, of which approximately 60%

can be assumed to be affordable. ADU affordability of these units will be monitored as part of program 7.

Program 9 encourages shared housing programs for seniors and existing one person households. The elderly are a prominent special needs population in Palos Verdes Estates. The City works with Silvernest and PVE-CARES (Palos Verdes Estates - Care, Assistance Resources, Education, and Socials), the City's Senior Program, to organize private homeshare for seniors. This program is widely used and will be continued in the next housing cycle.

Program 11 amended the City's Municipal Code to allow for emergency shelters, transitional/supportive housing, and reasonable accommodation for persons with disabilities. These facilities have not been constructed in the City.

**Table A-1
Housing Element Program Evaluation (2013-2021)**

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
Goal I: Preserve the Quality of Existing Neighborhoods				
<i>Policy 1 Preserve the scale of development in existing residential neighborhoods.</i>				
<i>Policy 2 Encourage the maintenance of existing dwellings.</i>				
Program 1. Continue to enforce provisions of the Zoning Code, Neighborhood Compatibility and Specific Development Plan requirements which specify regulations for height, lot coverage, setbacks and open space.	Planning Department; Building & Safety	General Fund	One hundred percent Code compliance	The City continued to enforce the Zoning Code and other requirements throughout the planning period. At the time of this writing, all but two existing dwelling units within the City remain occupied and in fair condition. This program will be continued.
Goal II: Provide a variety of housing opportunities for all segments of the community, including various economic segments and special needs groups.				
<i>Policy 3 Provide adequate sites for new housing consistent with the capacity of roadways, sewer lines, and other infrastructure to handle increased growth.</i>				
Program 2. Continue to allow infill in residential areas. Development of existing vacant residential infill sites would result in the production of approximately 41 additional single family dwelling units, assuming that all sites are buildable. It is expected that detached homes would generally be affordable only by upper income households.	Planning Department; Building & Safety	No funding needed	16 new housing units during the planning period	The City continued to allow infill development throughout the planning period. This program will be continued and updated to reflect current conditions.
Program 3. Encourage and facilitate mixed commercial and residential use in commercial areas. In recent years, mixed-use housing has become increasingly attractive to consumers. Where demand exists for residential uses, this can facilitate the delivery of housing. In a mixed-use project, the provision of an accompanying commercial use can help absorb some of the fixed costs of development, thereby facilitating the production of lower-cost units. Further, existing structures can be adapted to residential use, reducing costs associated with new construction. Existing space at Malaga Cove and Lunada Bay could potentially undergo conversion. Such use is permitted under the City's Zoning Code and under the Palos Verdes Estates Protective Restrictions administered by the Homes Association. The City will facilitate mixed-use development through expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915. To the extent feasible, the City will encourage and facilitate the production of housing for extremely low-income persons and persons with disabilities, including	Planning Department; Building & Safety	General Fund	Code amendment in 2014	Ordinance 14-709 implementing this program was adopted in 2014 and has maintained the city's 2 mixed-use nodes. This program will be continued in the new planning period.

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>developmental disabilities.</p> <p>In order to encourage the consolidation of small lots to enhance the feasibility of affordable housing development, an amendment to the Code will be initiated to provide a lot consolidation incentive that allows an additional density increase of 5% for mixed-use projects that consolidate two or more small lots less than one acre in size into a single building site of at least 1.0 acre and the minimum affordability requirements of state density bonus law are achieved</p>				
Policy 4 Preserve existing affordable housing stock.				
<p>Program 4. Regulate the conversion or demolition of rental housing stock.</p> <p>City parking requirements currently limit condominium conversion of some older units, thus acting as a deterrent to those seeking to convert this rental housing to more expensive condominium use. Condominium conversion ordinances typically relate to local rental vacancy, typically prohibiting conversions when rental vacancy rates are below 4 or 5 percent. The City rental vacancy rate is well above this level, so loss of rental housing stock to condominium conversion does not appear to be a problem at this time.</p>	Planning Department	No funding needed	Preserve rental housing opportunities in 382 units.	No rental units were converted to condos or demolished. This program will be continued in the new planning period.
Policy 5 Encourage the development of additional low and moderate-income housing.				
<p>Program 5. Continue efforts to streamline the development process to the extent feasible.</p> <p>City processing and fees have not been found to create a significant impediment to the development of additional housing. The City will continue to provide concurrent processing of all discretionary applications for a project, thereby streamlining the development process. Continue to process Coastal Development Permits at the local level, thereby reducing the stress of the permit process. These measures can reduce development time frames thereby reducing costs due to interest on project financing and builders' staff time. To the extent feasible, the City will encourage and facilitate the production of housing affordable to extremely-low-income persons and persons with disabilities, including developmental disabilities through the provision of incentives such as expedited processing, waiver of fees, or other incentives where affordable housing is provided, consistent with the minimum affordability standards provided under Government Code §65915.</p>	Planning Department; Building & Safety	General Fund / application fees	Efficient development processing.	The City implemented SmartGov software to improve permit processing efficiency and, in 2019; moved all Code Enforcement over to SmartGov as well for better communication. City staff is currently in process of moving to an external online permitting system for full implementation. This program will be continued in the new planning period.
<p>Program 6. Continue to allow the establishment of manufactured housing on single family residential lots not occupied by another dwelling.</p> <p>Consistent with State law, manufactured housing is permitted on single family lots not occupied by another dwelling. Manufactured housing may result in substantial savings per square foot over conventional construction, as discussed above. Many of the newer pre-manufactured homes or modules are similar in appearance to site-built homes. The City may, by State law, establish appropriate guidelines regarding such factors as securing housing and setbacks.</p> <p>All such development would be subject to architectural review and compliance with deed restrictions under existing regulations. Private deed restrictions regulating development in the Palos Verdes Planned Community do not specifically address manufactured housing. On the face of it, there is no reason manufactured housing could not meet such guidelines, assuming</p>	Planning Department; Building & Safety	General Fund / application fees		This program is standard practice and will be continued.

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
appropriate colors and exterior materials such as wood siding or stucco were utilized. However, all development is subject to Association review.				

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>Program 7. Promote Accessory Dwelling Unit (ADU) construction. (Renamed Production, Monitoring and Incentives for accessory dwelling units)</p> <p>Section 65852.2 of the Government Code provides for the provision of second family units/ADUs in residential areas. The City of Palos Verdes Estates currently provides for the establishment of second dwelling units/ADUs per State law. To facilitate development of ADUs the City will continue to provide information, such as information regarding the CalHFA ADU grant program, to assist applicants with the permit process at the public counter and on the City website. Property owners wanting to build an ADU will continue to submit their application directly to the building department. The City intends to meet a portion of its Regional Housing Needs Allocation units through privately constructed and rented ADUs on sites distributed throughout the city. Creating opportunities for lower income households on dispersed sites supports the State’s Affirmatively Further Fair Housing (AFFH) objective to avoid the concentration of lower income housing in a single location. ADU Monitoring. The City will monitor ADU construction and affordability as part of the Annual Progress Reporting process during the planning period and make adjustments as every 24 months if assumptions of 10 ADUs per year are not met. Adjustments may include additional incentives, assisting with funding, modification to development standards, technical assistance and permit procedures and rezoning, as appropriate. ADU Amnesty. The City will offer an ADU amnesty program in which unpermitted ADUs can be permitted. This ADU amnesty program will be available through June 2026.</p> <p>Pre-Approved ADU Plans. The City will coordinate with the PVHA regarding the potential to develop a menu of pre-approved ADU plans for PVE residents. Plans would be created to meet neighborhood compatibility concerns. Pre-approved plans may help reduce design and construction costs which could make ADUs more feasible and allow them to be rented more affordably.</p> <p>Incentives. The City will develop incentives for ADU construction such as reduced fees and expedited permit processing.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund / building permit fees</p>	<p>10 ADUs per year</p>	<p>The City’s ADU permitting and production is on par with neighboring cities. The City held 10 public hearings and adopted ADU regulations in compliance with current law in 2020. This program will be updated to reflect current circumstances. The City also conducted a citywide ADU survey in early 2023. Between 2018 and 2022, 40 ADU permits were approved. ADU Monitoring. The City will monitor ADU construction and affordability as part of the Annual Progress Reporting process during the planning period and make adjustments as every 24 months if assumptions of 10 ADUs per year are not met. Adjustments may include additional incentives, assisting with funding, modification to development standards, technical assistance and permit procedures and rezoning, as appropriate. ADU Amnesty. The City will offer an ADU amnesty program in which unpermitted ADUs can be permitted. This ADU amnesty program will be available through June 2026. Pre-Approved ADU Plans. The City will coordinate with the PVHA regarding the potential to develop a menu of pre-approved ADU plans for PVE residents. Plans would be created to meet neighborhood compatibility concerns. Pre-approved plans may help reduce design and construction costs which could make ADUs more feasible and allow them to be rented more affordably. Incentives. The City will develop incentives for ADU construction such as reduced fees and expedited permit processing.</p>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>Program 8. Continue to implement density bonus incentives consistent with State law.</p> <p>In accordance with Government Code §65915, a city must provide a density bonus or other incentive when an applicant agrees to provide at least ten percent of the total units of a housing development for lower income households; five percent of the total units of a housing development for very low income households; a senior citizen housing development; or ten percent of the total dwelling units in a common interest development for moderate income households, provided that all units in the development are offered to the public for purchase. The Code specifies the amount of the density bonus or incentive on a sliding scale from twenty to thirty five percent depending on the proportion of units that are affordable and the affordability levels of the units provided.</p> <p>The City will continue to implement the Density Bonus ordinance (Municipal Code Chapter 18.68) consistent with State law. To minimize potential constraints on the development of affordable housing, an amendment to the Zoning Code will be processed to reduce required off-street parking for small units (studio and one-bedroom) when affordable housing is provided consistent with state density bonus law.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund</p>	<p>3 density bonus units</p>	<p>Ordinance No. O14-709 implemented this program in 2014; program will be revised to reflect recent changes in density bonus law.</p>
<p>Policy 6. Encourage means of increasing ability to afford existing housing stock.</p>				
<p>Program 9. Encourage shared housing programs for seniors and existing one person households.</p> <p>Sharing one housing unit by two or more roommates can render housing affordable to persons who could not otherwise afford housing individually due to the ability to share housing costs among roommates. This could be of particular benefit to disabled individuals needing occasional assistance or female headed households seeking additional security. As noted in the previous discussion of housing needs, housing affordability is a problem for very low-income seniors residing in the city. Updates to program: At least six households participating in home sharing by 2029. Continue to promote PVE-CARES and senior home sharing through the City website and flyers on City bulletin boards</p>	<p>Library; City Manager's office</p>	<p>General Fund</p>	<p>Implement in 2014.</p>	<p>The City works with Silvernest and the City's Senior Program, PVE-CARES (Palos Verdes Estates - Care, Assistance Resources, Education, and Socials) to organize private homeshare for seniors. This program is widely used and will be continued. Updated program objectives: At least six households participating in home sharing by 2029. Continue to promote PVE-CARES and senior home sharing through the City website and flyers on City bulletin boards</p>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
Policy 7. Continue to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability, national origin, or color.				
<p>Program 10. Provide a means of addressing housing discrimination.</p> <p>The City will post State regulations at City Hall and at the library regarding housing discrimination together with the appropriate phone numbers to contact regarding housing discrimination problems. Provide copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints, along with contact information for DFEH.</p> <p>New Program added: Funding for Homeownership. The City will investigate funding sources for a homeownership assistance program. The City will explore the possibility of providing assistance to lower- and moderate-income households and will give priority to those who work in the city, such as teachers, police officers, City government employees and office workers. The City will prioritize the use of identified funding to expand homeownership opportunities for lower- and moderate-income households.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund</p>	<p>Address any instances of housing discrimination.</p>	<p>Flyers were posted at City Hall and the library. This program will be continued.</p>
<p>Program 11. Emergency shelters, transitional/supportive housing, community care facilities, SROs, agricultural employee housing, and reasonable accommodation for persons with disabilities.</p> <p>State law requires all cities to adopt regulations for emergency shelters, transitional and supportive housing. The City will initiate an amendment to the Municipal Code to establish definitions and allow these uses consistent with Government Code §65583(a). Emergency shelters will be permitted by-right in the Commercial zone, and transitional/supportive housing will be permitted as a residential use subject only to the same standards and procedures as apply to other residential uses of the same type in the same zone.</p> <p>State law also requires cities to allow reasonable accommodation for persons with disabilities in the administration of planning and building regulations. The City will establish written procedures for the review and approval of requests for reasonable accommodation consistent with state law. An amendment to the Municipal Code will also be initiated to establish regulations for community care facilities, residential care facilities, single-room-occupancy facilities and agricultural employee housing consistent with state law.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund</p>	<p>Code amendments in 2014</p>	<p>Ordinance No. O14-709 implementing this program was adopted in 2014. This program will be revised to reflect changes in State law.</p>
<p>New. Revised Program 12. Lot Consolidation. The majority of parcels in the City, like many communities throughout the region, are smaller than one-half acre in size. To further encourage lot consolidation for affordable housing on HO-O and MU-O candidate sites, the City will evaluate and establish incentives for projects that propose lot consolidation, such as an additional density increase of 5%, expedited plan review and/or reduced permit fees. The City shall have full authority in determining compliance with the project-specific incentives. Program 12 will include a bi-annual review to determine the program's effectiveness and to make adjustments, as necessary.</p>				

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
<p>Goal III: Provide a safe and healthful living environment for City residents.</p>				
<p>Policy 8. Eliminate potentially unsafe or unhealthful conditions in existing development.</p>				
<p>Program 12. (now program 15) Pursue a pro-active code enforcement program for substandard dwelling units.</p> <p>Title 8 of the Municipal Code constitutes the City of Palos Verdes Estates Health Code. Chapter 8 provides for abatement of substandard conditions. The City addresses substandard buildings under Municipal Code Chapter 8.36, Substandard Premises, and nuisances in general under Chapter 8.48.</p> <p>Chapter 8.36 addresses the following:</p> <ul style="list-style-type: none"> • Substantially deteriorated structures • Broken windows • Unstable landforms • Storing inoperable vehicles • Graffiti • Overgrown or dead vegetation • Partially completed building where work has ceased and permits have expired <p>Chapter 8.48 addresses the following:</p> <ul style="list-style-type: none"> • Unstable landforms, improper drainage • Partially destroyed, partially constructed or abandoned buildings • Broken windows • Overgrown, dead, decayed or hazardous vegetation which may harbor vermin or obstructs vehicular sight lines • Danger or attractive nuisance to the public • Accumulation of trash, debris, and other refuse • Deteriorated parking lots or driveways • Abandoned pools, ponds, excavations, and other holes • Construction debris storage bins • Livestock and other animals • Overcrowded housing, as defined by the Uniform Housing Code • Housing which lacks adequate ventilation, sanitation or plumbing facilities, or which constitutes a fire hazard 	<p>Planning Department; Building & Safety</p>	<p>General Fund; permit fees</p>	<p>Eliminate all substandard conditions.</p>	<p>This program was implemented and will be continued. At the time of this writing, all units within the city, except two are occupied and in fair condition.</p>
<p>Program 13. (now program 16) Continue to strictly monitor and regulate landform modifications in the City.</p> <p>Landform modification is addressed through the City's grading permit process which requires approval of a grading plan and grading permit for landform modification.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund; permit fees</p>	<p>Permit no unsafe landform modification.</p>	<p>This program was implemented and will be continued.</p>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments & Future Actions
Goal IV: Encourage the Conservation of Energy in New Housing				
Policy 9. Reduce energy loss due to inferior construction techniques.				
<p>Program 14. (now program 17) Continue to require all new projects to conform to the requirements of Title 24 of the California Administrative Code.</p> <p>The City has adopted the most current editions of all California Codes. Title 24 contains specific requirements for construction techniques which result in energy savings of approximately 50 percent when compared to standard techniques utilized prior to enactment of current standards. Under State law, individual jurisdictions may develop local standards which exceed the requirements of Title 24.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund; permit fees</p>	<p>All new structures to conform to current energy conservation standards.</p>	<p>The City has enforced Title 24 requirements throughout the planning period. This program will be continued.</p>
Policy 10. Encourage residents to conserve energy.				
<p>Program 15. (now program 18) Support public utility companies in their efforts to educate the public in means of energy conservation.</p> <p>Local utility companies regularly circulate information regarding energy conservation to their residential customers. To support such programs, the City could allow posting of energy conservation materials on publicly owned bulletin boards and adopt proclamations of support in order to publicize conservation efforts.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund</p>		<p>The City posted energy conservation flyers on City bulletin boards and annually in the City newsletter. This program will be continued.</p>
<p>Program 10b. (now program 19) Consider waiver of permit fees for installation of alternate energy facilities for residential use.</p> <p>Solar panels may be utilized for heating homes of domestic water or may be utilized to generate electricity. While the earliest solar panels would not likely meet the architectural standards of the Homes Association, newer solar devices are less unattractive. Some systems closely resemble conventional roof shingles. These are usually most practical to install at the time a new roof is installed.</p> <p>Many communities have developed sustainable building programs under which building permit and inspection fees for energy and water saving devices are waived. In order to encourage alternate energy use, the City will consider a similar fee waiver.</p>	<p>Planning Department; Building & Safety</p>	<p>General Fund</p>	<p>Institute trial program in the fiscal year following adoption of this element.</p> <p>10 solar systems per year.</p>	<p>The City continued to approve solar panels. This program will be continued.</p>

**Table A-2
Progress in Achieving Quantified Objectives (2013-2021)**

Program Category	Quantified Objectives	Progress During Years 2018-2021
New Construction		
Extremely Low	2	-
Very Low	2	-
Low	3	1
Moderate	3	1
Above Moderate	6	45
Total	16	47
Rehabilitation		
Very Low	-	-
Low	-	-
Moderate	-	-
Above Moderate	-	-
Total	-	-
Conservation		
Very Low	-	-
Low	-	-
Moderate	-	339
Above Moderate	-	4961
Total	-	5,300

APPENDIX B

**Table B-1
Vacant Residential Land Inventory**

Site (Address/APN)	GP/Zoning	Acreage
7539-007-020 / Via Capay	SF/R-1	0.17
7539-020-001 / Via Tejon	SF/R-1	0.23
7539-020-002 / Via Tejon	SF/R-1	0.2
7539-023-019 / 2520 Via Pinale	SF/R-1	0.13
7540-012-011 / Via Almar	SF/R-1	0.19
7540-016-012 / 705 Mexico Place	SF/R-1	0.45
7540-022-001 / Via Del Monte	SF/R-1	0.28
7541-005-025 / Chelsea Road	SF/R-1	0.21
7541-017-015 / 1004 Palos Verdes Drive West	SF/R-1	0.28
7541-017-016 / Palos Verdes Drive West	SF/R-1	0.4
7541-024-007 / Via Lopez	SF/R-1	0.65
7541-028-006 / 1700 Via Boronada	SF/R-1	0.28
7543-004-015 / Via Sanchez	SF/R-1	0.17
7543-006-007 / 1252 Via Landeta	SF/R-1	0.2
7543-016-020 / 2545 Via Olivera	SF/R-1	0.2
7543-016-028 / Via Olivera	SF/R-1	0.15
7543-036-032 / 2824 Victoria Place	SF/R-1	0.41
7543-042-003 / 2000 Noya Place	SF/R-1	0.35
7543-043-006 / 2004 Muros Place	SF/R-1	0.39
7543-043-024 / Via Leon	SF/R-1	0.36
7543-044-003 / 1417 Via Coronel	SF/R-1	0.36
7543-045-024 / Via Romero	SF/R-1	0.35
7543-047-013 / 1565 Via Leon	SF/R-1	0.39
7544-015-009 / 1805 Via Coronel	SF/R-1	0.72
7544-015-011 / 1815 Via Coronel	SF/R-1	0.77
7544-016-006 / 1412 Via Fernandez	SF/R-1	1.09
7544-017-007 / 1520 Via Zurita	SF/R-1	0.47
7544-009-001 / 1804 Via Visalia	SF/R-1	0.95
7539-029-006 / Via Elevado	SF/R-1	1.17
7539-029-008 / Via Elevado	SF/R-1	0.50
7539-032-006 / Via La Cuesta	SF/R-1	1.17
7545-002-013 / Via Panorama	SF/R-1	1.67
7540-026-011 / 844 Via Del Monte	SF/R-1	0.66
7544-017-006 / Via Fernandez	SF/R-1	0.63
7544-019-009 / 1515 Lower Paseo La Cresta	SF/R-1	1.16
7544-021-003 / 2014 Via Cerritos	SF/R-1	1.03
7544-022-012 / Paseo La Cresta	SF/R-1	0.77
7544-022-014 / Paseo La Cresta	SF/R-1	0.81
7544-022-015 / Paseo La Cresta	SF/R-1	0.78
7545-006-013 / 860 Rincon Lane	SF/R-1	0.34
7545-010-018 / 2321 Via Acalones	SF/R-1	0.38
TOTALS	41 lots	

APPENDIX C

Public Participation Summary

State housing law requires local governments to make a diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element. Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan which determines the extent and density of future residential development in the community.

City residents and stakeholders had several opportunities to recommend strategies, review, and comment on the draft Housing Element during its preparation and adoption. The City conducted the following community outreach activities during the Housing Element Update process:

- hosted a total of fourteen public meetings and workshops,
- held two Town Hall meetings
- conducted an ADU survey
- conducted stakeholder interviews

An initial public study session was held jointly by the Planning Commission and City Council on January 27, 2021. Notice of the study session was posted and also sent directly to the City's Housing Element notification list (Table C-1). The notification list includes persons and organizations with expertise in affordable housing and supportive services such as the Jamboree Housing Corporation, the Arc-South Bay, and Rebuilding Together South Bay Los Angeles, and persons with special needs. Interested parties had the opportunity to interact with City staff throughout the Housing Element update process and provide direct feedback regarding fair housing issues. These groups were contacted again prior to the public review draft in July 2023, however the City received no responses.

A draft Housing Element was then prepared and posted for public review on June 14, 2021. A second public meeting was held on June 28, 2021 to review the draft Housing Element. An updated draft was prepared and posted for public review on September 1, 2021 and reviewed at a third public meeting on September 8, 2021. Staff further updated the draft and posted the document for public review on September 29, 2021 to be reviewed at a fourth public meeting held October 5, 2021. A revised draft Housing Element was then prepared and submitted to HCD for review on the same day.

After receiving comments from HCD, further revisions were made to the draft element in response to HCD comments. The revised draft element was posted on the City's Housing Element website and a direct mail notice of availability of the revised draft was sent to the organizations list in Table C-1.

Public hearings to consider adoption of the Housing Element were held by the Planning Commission on January 18, 2022 and City Council on January 25, 2022. The Housing Element was adopted by the City Council on February 8, 2022 and submitted to HCD for review by the established deadline of February 11, 2022. However, HCD provided further comments on the adopted draft Housing Element on April 12, 2022.

In response to the comments, the City conducted additional public outreach, which included an online ADU Survey that was live between March 17, 2023 and May 15, 2023.

The draft was revised and posted for public review on April 24, 2023, to be reviewed at a joint Planning Commission and City Council workshop on May 10, 2023. The draft element was further revised based on feedback received during the joint Planning Commission and City Council workshop. The revised draft was available for public review from July 24, 2023 to August 25, 2023.

The City held a Town Hall meeting on September 13, 2023 in response to comments received during the public review draft Housing Element. A follow up City Council meeting took place on October 10, 2023. The City made further revisions to the draft Housing Element to incorporate community feedback.

The City held additional City Council meetings to discuss the Housing Element update on November 14, 2023 and January 23, 2024.

A second Town Hall/Special Council meeting to discuss the potential sites inventory of the Housing Element occurred on February 7, 2024.

Stakeholder interviews were conducted in February, 2024. Stakeholders contacted included Peninsula Seniors, PVE Cares, Many Mansions, Jamboree Housing, Arc-South Bay, and Rebuilding Together South Bay Los Angeles. A common topic was the need for entitlement process streamlining and flexible and/or reduced development standards to increase the feasibility of affordable housing. Stakeholders also mentioned the need for incentives and financing. Allowing for the ability to age in place was also a recurring theme.

Public hearing to consider adoption of the revised Housing Element were held by the Planning Commission On May 21, 2024 and the City Council on May 28, 2024. The revised adopted Housing Element was submitted to HCD for certification on May 29, 2024.

Table C-2 summarizes public comments received on the Housing Element during the update process.

Table C-1 Public Notice Distribution List
City of Palos Verdes Estates 2021-2029 Housing Element Update

Shelter Partnership 523 W. 6 th Street, Suite 616 Los Angeles, CA 90014	Westside Center for Independent Living 12901 Venice Boulevard Los Angeles, CA 90066	Harbor Regional Center 21231 Hawthorne Boulevard Torrance, CA 90503
The Arc-South Bay 1735 Rosecrans Avenue Gardena, CA 90249	Emma Hoff-Regional Community Service Coordinator Catholic Charities 123 E. 14 th Street Long Beach, CA 90813	Social Vocational Services (SVS) South Bay Independent Visions 2461 W. 208 th Street, Suite 102 Torrance, CA 90501
L.A. County Department of Children and Family Services 2325 Crenshaw Boulevard Torrance, CA 90501	Kenny Nickelson Memorial Foundation for Homeless Veterans and Children, Inc. P.O. Box 3098 Manhattan Beach, CA 90266	Tom Baumann Rebuilding Together South Bay Los Angeles P.O. Box 6367 Torrance, CA 90504
Salvation Army “His House Family Services” 20830 S. Vermont Avenue Torrance, CA 90502	Salvation Army 30840 Hawthorne Blvd Rancho Palos Verdes, CA 90275	Jamboree Housing Corporation 17701 Cowan Avenue, Suite 200 Irvine, CA 92614
Peninsula Seniors 30928 Hawthorne Boulevard Rancho Palos Verdes, CA 90275	California Water Service 2632 W. 237 th St. Torrance, CA 90505	County of Los Angeles Department of Public Works Sewer Maintenance Division P.O. Box 1475 Alhambra, CA 91802-1475

**Table C-2
Summary of Public Comments
City of Palos Verdes Estates 2021-2029 Housing Element Update**

Comment	Response
Since most single-family lots are allowed 2 ADUs, does the sites inventory allow the City to assume the total potential number of ADUs for RHNA purposes?	State policy does not allow the full ADU potential to be assumed for RHNA purposes. Cities may estimate potential future ADU production based on past trends.
Does the potential capacity for underutilized sites assume demolition/replacement?	In some cases, demolition of the existing structure may be required to achieve the full development potential based on zoning regulations. This would depend on the characteristics of existing structures and whether it is feasible to build additional units without demolishing existing structures.
What does “by-right” development mean?	“By-right” means the development review process must be based only on objective standards involving no personal judgment.
If a property is listed in the inventory of housing sites, is the City or the property owner required to develop the property during the 8-year planning period?	No – the sites listed in the inventory only indicates that the potential exists for additional housing development.
If a property listed in the inventory of housing sites is shown as having potential for low-income housing, can the property only be developed with affordable housing?	No – sites shown as accommodating low-income housing only indicates that the property is considered suitable for low-income housing under State law. Generally, sites that allow a density of at least 20 units/acre are considered suitable for low-income housing in cities with a population of less than 25,000 in Los Angeles County.
Is there any opportunity to revisit the estimated ADU numbers in the land inventory in the future, if more ADUs are produced than the estimate?	If actual ADU production exceeds the estimate in the Housing Element, the City will report those numbers each year as part of the Housing Element Annual Progress Report. ADUs qualify as “housing units” for RHNA purposes and will contribute to the City’s housing production totals.
The number of vacant single-family lots in the sites inventory seems too high.	City staff has confirmed the vacant lot count.
How are the high fire hazards, geotechnical issues and lack of public transportation in PVE factored into the Housing Element and RHNA?	The Housing Element discusses these constraints to housing development, but the City’s RHNA allocation was not reduced in consideration of these factors.
What is the due date for adoption of the Housing Element?	October 15, 2021
Affordable housing is very unlikely to be built in high-cost areas. What happens if the City doesn’t meet the RHNA goals?	Cities that do not achieve their RHNA allocations may be required to offer “streamlined” permit processing under SB 35.
How did the City choose sites for inclusion in the sites inventory?	The City’s Ad Hoc Committee worked with the consultant to identify sites that could accommodate new housing. Factor’s such as current use, location, ability to comply with deed restrictions and adjacency to goods and services were considered.
Does inclusion in the sites inventory mean that a property will be developed immediately.	No. Inclusion in the sites inventory means that sites will be rezoned to allow for development to occur. Development would be subject to objective design standards.
Does rezoning mean the City or State will use eminent domain to build on my property?	No. Rezoning will allow development to occur but will and will still require owner’s consent.
Are there any cities that have banded together to fight HCD	Yes

What consequences have occurred to date (in other non-compliant cities)?	Huntington Beach and other cities have been sued. Cities threatened with loss of local control.
The majority of Lunada Bay Plaza area for rezoning for high-density housing without spreading the high-density zoning in other areas as well, such as Malaga Cove.	The City will consider further dispersing the sites throughout the city.
Key information was omitted from the draft: Malaga site, church sites, status of leases on properties.	Next draft will include additional information
Is there any difference in Housing law between Charter and General law cities?	No
The document states that costs to remediate the gas station would be minimal	Costs would be minimal relatively speaking
Why was existing multifamily excluded?	Existing multifamily was excluded from the inventory because all but four lots in the entire city would have a net loss of housing.
Lunada Bay is located in a high fire danger area and there are earthquake fault zones within the City. There is also a lack of main roads to get out of or into the Lunada Bay area.	The entirety of the City of Palos Verdes Estates, as well as the Palos Verdes Peninsula, is within a high fire danger area. The city participates in the Palos Verdes Peninsula Emergency Readiness evacuation plan to mitigate for lack of main access roads.
Does State law supersede CC&Rs	No, but it's complicated because CC&Rs are dictated by the Homeowners Association, not the City. However, HCD still desires the revision/deletion of CC&Rs that hinder housing.
Does the State decide who lives where?	No, but State Housing law requires that you plan for housing that accommodates all income levels.
Why is the City going to settle? Why not fight HCD?	Fighting makes the City vulnerable to lawsuits, lack of local control, loss of state funding (if applied for)
Can residents buy property as a citizen's holding company? Form a separate land use council to protect rights?	TBD – City Attorney to weigh in
St. Francis Episcopal Church should be reconsidered	City to reconsider
Why is only the Ad Hoc meeting in attendance? The full City Council should participate.	The Ad Hoc committee was formed over a year ago to complete the HUE without violating the Brown Act. Meeting will include full council going forward.
Where are we in the current cycle?	The HEU was due in February, 2022
What happens next	Continue process and complete the HEU with more open public meetings
Land values should help prevent any affordable housing	
There should be an initiative to fight the State	
Lunada Bay is too close to schools for additional housing. Already congested enough in this area.	To be considered by the City
Don't be afraid of litigation from the Church	
St. Francis Episcopal Church has a protective covenant requiring the site to remain a place of worship.	
Does State Housing Law require gender inclusiveness	State Housing law requires removal of any barriers for housing of any person.
What about the traffic circle?	

We need to form a citizen's group	
Malaga Cove school should be considered	
Who chose the City's RHNA numbers	SCAG – Southern California Association of Governments
We need more feedback from the State on Deed Restrictions	The City to meet with the State
Why wasn't a land use lawyer involved in the site selection process	City to engage land use attorney
The HEU states that the use (for sites in inventory) will discontinue in 8 years. However, many sites contain active uses with long term leases.	City to revisit sites
The residents of PVE have not been adequately notified of the housing element	The City has had multiple public meetings since January 2021. These public meetings included an overview of what the Housing Element is and requirements for the update. Meetings also allowed for public input. However, the city will provide more noticing moving forward.
Suggestion to certify the HEU AND fight the State	
There is concern that the city would lose much of its commercial base. Don't eliminate commercial and services	The rezone allows for a mix of commercial and residential uses. However, the city will consider other sites.
Consider satisfying affordable housing by offering disabled housing	
What happens if owner doesn't sell	Redevelopment requires owner's consent.
The Housing Element is a socialist document	
Are ADUs credited toward the RHNA	Yes, but City needs buyoff on proposed projection.
What will we lose if we give in?	
PVE is on track to become another Santa Monica	
Water use is an issue	See Safety Element
Ingress/egress is already an issue. More housing would exacerbate	Safety element considers this issue and describes safety goals.
When will we have Objective Design Standards?	These will be written after HCD certification
The city should consider tiny homes for affordable	Not enough land mass
The HEU is written to "sell it" to HCD	
There is conflicting state policy: Smart growth calls for housing to be located near shops, schools, services for easy walking, less reliance on cars. HEU calls for more housing without concern for loss of commercial areas.	City to consider other sites.
Future meetings should be held in a larger space	City will try to find a larger venue
Consider the golf course as a potential site	
Certain non-vacant sites in the sites inventory include certain uses that are subject to leases and are unlikely to discontinue in the Planning period	The Housing Element includes a program that will identify alternative sites and/or rezone other sites if the leases remain in 2026
Certain non-vacant sites in the sites inventory are subject to private deed restrictions and are unlikely discontinue in the Planning period	The Housing Element includes a program that will identify alternative sites and/or rezone other sites if the leases remain in 2026

<p>Listing the Patio Building would have a disparate impact on protected minority owned small businesses in violation of City Council's duty to Affirmatively Further Fair Housing.</p>	<p>Including the patio building in the sites inventory would provide an opportunity for a future mixed-use building that could allow the existing uses to continue while offering workforce housing for the employees of these uses. As stated in the comment letter, these employees live outside the PVE community and must commute great distances by car. The mixed-use housing overlay would allow for affordable housing options for these employees to live near employment.</p>
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APPENDIX D

Site Inventory Analysis

Per State law, the Housing Element must include an inventory of suitable land to meet the City's Regional Housing Needs Allocation (RHNA) obligation.

The City of Palos Verdes Estates' 6th Cycle housing need consists of 199 total units. The Housing Element identifies capacity for at least 199 total units through projected Accessory Dwelling Units (ADUs), three underutilized sites and 41 vacant sites. The underutilized sites will be rezoned to meet their housing need.

Several programs set forth in the Housing Element will help facilitate residential development for all income levels on sites identified. The following Sites Analysis describes the anticipated number of ADUs to be developed within the planning period, the site selection process and the assumptions used in evaluating a site's likelihood to be redeveloped with residential uses during the 8-year planning period.

A. Methodology for Realistic Capacity

Mixed-use Overlay sites: To ensure that the realistic capacity for Mixed Use - Overlay sites takes into consideration development of non-residential uses for mixed-use projects, such as commercial uses, a minimum density of 25 units per acre is used to calculate capacity. As part of Housing Element implementation, the City will undertake a General Plan and Zoning Code amendments to add a Mixed-Use Overlay zone to implement the Mixed Use Overlay General Plan land use designation, which will be implemented at a density range of 25 to 30 units per acre. No maximum densities are included in the sites inventory analysis. This approach provides for a conservative estimate of development potential, as many of the identified candidate Mixed Use - Overlay sites can achieve higher residential capacity. The Mixed Use-Overlay zone will require a minimum of 70 percent residential development and may be 100 percent residential development. The realistic capacity calculation using the minimum density also accounts for the development of non-residential uses as the actual adopted maximum densities will be higher.

Housing Opportunity Overlay site: As part of Housing Element implementation, the City will undertake a General Plan and Zoning Code amendments to add a Housing Opportunity Overlay zone to implement the Housing Opportunity Overlay General Plan land use designation, which will be implemented at a density range of 20 to 25 units per acre. No maximum densities are included in the sites inventory analysis. This approach provides for a conservative estimate of development potential, as site 3, which is identified for the HO-O rezoning, can achieve higher residential capacity.

The minimum density of 20 dwelling units per acre in the HO-O zone and 25 dwelling units per acre in the MU-O zone can be achieved within these parameters as evidenced by the City's existing multifamily residential, which ranges between 30 to over 40 dwelling units per acre. The average density of the existing multifamily development within the city is 34.4 dwelling units per acre. For example, a parcel directly south of site 1, APN 7539-016-015, is 0.16 acres and contains five units for a density of 31.25 dwelling units per acre. The development is a 2-story building and meets all development standards set forth in the zoning code. See below for an image of the subject property.

Existing Multifamily Example – 31.25 dwelling units per acre



B. Densities Appropriate for Accommodating Lower-Income Housing

As authorized by State law, the residential development capacity of sites permitting densities of at least 20 units per acre are credited toward the lower-income RHNA. If a local government adopts density standards consistent with the State-established population-based criteria (at least 20 units per acre for Palos Verdes Estates), HCD must accept sites as appropriate for accommodating the jurisdiction's share of regional housing need for lower-income households. Land use designations with density ranges near the default density are considered appropriate to accommodate housing for moderate-income households.

The Housing Opportunity – Overlay zone and the Mixed Use – Overlay zone would allow for residential densities between 20-25 and 25-30 dwelling units per acre respectively. Per Program 13 of the Housing Program, a new General Plan land use designation and zoning code amendment will be implemented to create the Housing Opportunity – Overlay zone and Mixed Use - Overlay zone. Development standards would allow for up to 3 stories within a 35-foot height limit.

1. Site Selection Process

The following criteria were used to identify additional sites with potential for residential development:

- No current residential uses
- Age of structure: most sites in the inventory have existing uses that were built over 48 years ago, but most are older than 60 years old.
- Characteristics of existing uses such as vacancy, declining uses and large underutilized areas of the site.
- Land values are higher than improvement values.
- No recent enhancements other than paint or minor repairs.
- The site's structure(s) are older or show evidence of deferred maintenance.
- The site is underutilized, such as having abundant surface parking and/or unused/underutilized area within the site.
- No rezoning proposed for historically designated areas.

- Religious institutions with ample parking and underutilized land.
- Potential for lot consolidation is also taken into consideration.

Sites included in this inventory were selected based on the available capacity. The existing uses are older or exhibit evidence of deferred maintenance and/or disinvestment signifying potential for redevelopment or situated on lots with large, underutilized area.

The Overlay zones will allow residential development as a by-right use at a minimum density of 20 units per are in the HO-O zone and 25 units per acre in the MU-O zone. Objective design standards will prescribe the optimum standards to allow for development up to the maximum density. Such standards include reduced parking requirements, reduced setbacks, additional stories (within the 35-foot height limit) and no minimum unit sizes. Based on this analysis and implementation of the Housing Plan, the City has determined that existing uses will not impede redevelopment as residential on sites identified in this inventory and the sites inventory includes adequate sites to accommodate the RHNA.

2. Small Sites

Per AB 1397, HCD recognizes parcels between 0.5 and 10 acres in size as being most suitable to accommodate lower- income housing needs. Four sites presented in this inventory will be rezoned to accommodate lower-income units. Small sites meeting the default density standard are credited toward a mixture of very low, low and moderate-income categories to allow for a variety of residential development product types.

The Housing Element must present “substantial evidence” that the existing use does not constitute an impediment for additional residential use on the site if non-vacant sites accommodate half or more of the lower-income need. All sites that have been identified to accommodate low and very low-income residential units contain existing uses, however these were selected due to their location, underutilization, potential for lot consolidation and intensification potential.

Sites must comply with the following provisions of AB 1397:

- Vacant sites included in the two previous Housing Elements and non-vacant sites identified in the previous Housing Element are considered adequate to accommodate a portion of the lower-income housing need if the site is zoned for residential densities consistent with the default density established by HCD (20 units per acre) and
- The site allows by-right residential uses for developments in which at least 20 percent of the units are affordable to lower-income households.

C. Site Inventory Analysis

1. Site 1 – Malaga Cove 1

Site 1 is made up of 2 parcels for a total of 0.68 acres. The site contains two 1 and 2 -story office buildings totaling 15,450 square feet for an FAR of 0.52. This site is the westernmost portion of the Malaga Cove area. With the Mixed-Use Overlay rezoning the site would accommodate at least 11 low and very low-income units and 6 moderate income units.

Roughly one quarter of the site area is devoted to vehicular parking and circulation. Access is taken from Tejon Place. Several vacancies, including the entire second floor of one of the site’s buildings (a 3,330 square foot office space) were observed at this site at the time of this writing. Existing uses include offices

for realtors, interior designers and an outpatient medical office. According to the Los Angeles County Assessor, the Land value exceeds the improvement values for all but one of the parcels. The site's buildings were constructed between 1952 and 1956. For these reasons the current use is not considered an impediment and will likely discontinue in the planning period.

In addition, the Mixed-Use Overlay zoning designation would allow for the existing uses to continue operating on the ground floor of any future development in a vertically mixed configuration. Parking for any ongoing uses would be incorporated into the design of the future residential development. As the current FAR is only 0.52 (0.43 and 0.66 for each parcel respectively), the site could be intensified to an FAR of up to 1.25 and accommodate one or more of the existing uses. It is likely that the existing buildings would be demolished and replaced, therefore any existing use would need to be temporarily relocated.

Redevelopment of similar properties has occurred recently in the nearby cities of Torrance and Lomita. For example, in 2015, Torrance saw the construction of 16 residential units on a non-vacant 0.66-acre site with similar uses. The site consisted of 2 parcels requiring lot consolidation. In 2020, a 15-unit project was entitled on a non-vacant 0.65-acre site as well as a 9-unit project on a non-vacant 0.35-acre site requiring the consolidation of 2 lots. Similarly, Lomita issued building permits for a 12-unit project on a non-vacant 0.47-acre site.

Physical and environmental constraints:

The site's topography represents a minor physical and environmental constraint. However, the site's topography would accommodate several types of residential and/or mixed-use building types.

Regulatory Constraints

The site is currently zoned commercial and requires a CUP for residential uses, however the Housing Opportunity Mixed Use Overlay Zone rezoning as set forth in Program 13 will eliminate this constraint and allow for by-right residential uses. The site is currently made up of 2 parcels and would require lot consolidation, however Program 12 would incentivize lot consolidation. Incentives may include additional density increase of 5%, expedited plan review and/or reduced permit fees. The parcels are part of one cohesive site and currently share common access to vehicular circulation and surface parking areas, which is conducive to lot consolidation.

This site was included in the 5th Cycle Housing Element.

Site 1 Aerial



Site 1 Photos







2. Site 2 -Lunada Bay Patio Building

Site 2, the Lunada Bay Patio, consists of one parcel totaling 0.68 acres. The site is the Lunada Bay Patio Building, one of 3 blocks that make up the Lunada Bay Plaza commercial area. The site contains one building consisting of one story over one level of at-grade parking in a “podium” condition and two-story liner shops/offices. The building area is 36,478 square feet. One row of perpendicular parking is provided along a portion of the east building frontage. Access is provided by Palos Verdes Drive West, Via Anacapa and La Costa Lane. This site was included in the 5th Cycle Housing Element.

The site would accommodate up to 11 low and very low income and 6 moderate income units under the minimum density of 25 dwelling units per acre. The site’s single building contains several active tenants; however, these uses would have the potential to continue in a vertically mixed use residential situation under the Mixed Use - Overlay zone. Program 13, which prescribes a site monitoring process, will require identification of replacement site(s) and/or rezoning within one year if the existing leases remain in place by 2026.

Redevelopment of similar properties has occurred recently in the nearby cities of Torrance and Lomita. For example, in 2015, Torrance saw the construction of 16 residential units on a non-vacant 0.66-acre site with similar uses. The site consisted of 2 parcels requiring lot consolidation. In 2020, a 15-unit project was entitled on a non-vacant 0.65-acre site as well as a 9-unit project on a non-vacant 0.35-acre site requiring the consolidation of 2 lots. Similarly, Lomita issued building permits for a 12-unit project on a non-vacant 0.47-acre site. For these reasons the current use is not considered an impediment.

Physical Constraints

There are limited physical constraints at this site. The site has a gentle slope and has adequate site access and street frontage.

Regulatory Constraints

The site is currently zoned commercial and requires a CUP for residential uses, however the Housing Opportunity Mixed Use Overlay Zone rezoning as set forth in Program 13 will eliminate this constraint and allow for by-right residential uses.

Site 2 Aerial



Site 2 Photos







3. First Church of Christ, Scientist Site

The First Church of Christ, Scientist Site consists of 2 parcels totaling 4.63-acre (**3.56 acres & 1.07 acres each**). Church facilities include a 12,082 sf church building with ample open parking, open areas and landscaping. The church was built in 1969 and is neither historically nor architecturally significant. Access taken off of Palos Verdes Drive North and Via Campesina. This site was not used in the 5th Cycle Housing Element or in any previous Housing Element.

The site would accommodate up to 60 low and very low income and 32 moderate income units with the Housing Opportunity - Overlay rezoning at 20-25 dwelling units per acre. The FAR is currently only 0.06 indicating site underutilization. The site is large enough to allow the current church use to continue while accommodating residential units. The City of Palos Verdes Estates does not have a specified parking ratio for religious facilities, however a commonly accepted parking ratio is 1 space for every four fixed seats. The church has 300 fixed seats, which would require 75 parking stalls. At 125 stalls the church use is currently overparked. Any lost parking could be easily replaced with a more efficient layout as the current parking layout is inefficient and includes redundant vehicle travel lanes.

AB 1851: This bill would allow faith-based organizations like churches and other places of worship to reduce or eliminate parking requirements when they seek to build affordable housing on land they own

or lease. AB 1851 would also allow faith-based organizations to build housing on their parking lots and would prohibit cities from requiring the replacement of those parking spaces.

Most cities in California have mandatory parking requirements, which increase the cost of building housing by an average of \$30,000 per parking spot. These mandates create financial barriers for faith-based organizations and other non-profits that seek to build affordable housing, by driving up the cost.

AB 4:

Common ownership would be conducive to lot consolidation.

Physical Constraints

Physical constraints are limited to slight sloping near eastern and western edges.

Regulatory Constraints

The site is currently zoned R-1, Low Density residential, however the site will be rezoned to RM with a Housing Opportunity - Overlay Zone. The rezoning as set forth in Program 13 will eliminate this constraint and allow for by-right multifamily residential uses.

Site 3 Aerial



4. ADUs

The Housing Element may satisfy its RHNA requirement by identifying a trend of Accessory dwelling units (ADUs) to be developed within the planning period. The number of ADUs that can be credited toward the City's RHNA obligation is based on the following:

1. ADU development trends between January 2020 and December 2023
2. Community need
3. Available resources and incentives
4. Anticipated affordability

ADU legislation in the state currently removes most barriers to ADU development which has prompted a drastic increase in the number of ADUs statewide. ADUs are compact, self-contained dwelling units that provide a kitchen, bathroom and sleeping area. The unit can be attached to the main home with a separate entrance or a small, detached unit in the rear yard. ADUs can also be built above a garage. Due to their smaller size, ADUs rent is typically less than an apartment, and may also provide supplemental income for the homeowner.

Between 2018 and May of 2023, 34 accessory dwelling units were approved and an additional 16 ADU applications were pending as of December 2023. However, the City is implementing an adjusted average yearly timeframe of 2020 to 2023 to project ADU development for the 6th Cycle Housing Element. The adjusted projection calculation excludes 2018 and 2019 since the City did not adopt ADU Ordinance No. O20-74 until November 12, 2020. There was scarce ADU information available to homeowners prior to the adoption of Ordinance No. O20-747 which hindered ADU applications.

Following the adoption of Ordinance No. O20-74, yearly ADU applications steadily increased. Recent changes in State law have made the construction of ADUs more feasible for homeowners. The City saw a marked increase in ADU development applications during 2022 and the first quarter of 2023. As of May 2023, there were already 6 ADUs permitted. Ordinance No. O20-747 is currently being updated to reflect changes to State law and is expected to be adopted in mid-2023. The City assumes that there will be an increase in ADU applications following the adoption of the updated Ordinance No. O20-747 and, consequently, 10 ADUs are projected for the remaining months of 2023 (June to December) for a total of 16 ADUs in 2023. Furthermore, the City's recent ADU survey indicated that many residents would be interested in constructing an ADU on their property with more information and less restrictions.

For these reasons, the adjusted yearly average for ADU permits is 10. Assuming construction will continue at the rate of 10 dwelling units per year, 80 ADUs will be permitted during the 2021-2029 planning period. The City will monitor ADU construction during the planning period and make adjustments as appropriate if assumptions are not met.

Palos Verdes Estates has several qualities that support the realistic development capacity of ADUs within the City, such as:

1. Large lots: SFD lots within the City average between 6,000-10,000 square feet. These large lots are conducive to attached, detached, or conversion for ADUs & JADUs.
2. Parking: Almost all PVE SFD homes have two-car garages plus additional driveway parking.
3. Palos Verdes Estates has one of the highest median household incomes in the SCAG region. Additional disposable income would provide greater financial flexibility and the ability to self-finance ADU development.
4. Based on the most current TCAC maps, all of Palos Verdes Estates is located in high opportunity areas. As ADU development would be distributed throughout the city and not concentrated in one area, it supports affirmatively furthering fair housing.

The City has revised Program 7 to facilitate development of ADUs. The City will continue to provide information, such as information regarding the CalHFA ADU grant program, to assist applicants with the permit process at the public counter and on the City website. Property owners wanting to build an ADU will continue to submit their application directly to the building department.

The City intends to meet a portion of its Regional Housing Needs Allocation units through privately constructed and rented ADUs on sites distributed throughout the city. Creating opportunities for lower

income households on dispersed sites supports the State’s Affirmatively Further Fair Housing (AFFH) objective to avoid the concentration of lower income housing in a single location.

ADU Monitoring. The City will monitor ADU construction and affordability as part of the Annual Progress Reporting process during the planning period and make adjustments as every 24 months if assumptions of 10 ADUs per year are not met. Adjustments may include additional incentives, assisting with funding, modification to development standards, technical assistance and permit procedures and rezoning, as appropriate.

ADU Amnesty. The City will offer an ADU amnesty program in which unpermitted ADUs can be permitted. This ADU amnesty program will be available through June 2026.

Pre-Approved ADU Plans. The City will coordinate with the PVHA regarding the potential to develop a menu of pre-approved ADU plans for PVE residents. Plans would be created to meet neighborhood compatibility concerns. Pre-approved plans may help reduce design and construction costs which could make ADUs more feasible and allow them to be rented more affordably.

Incentives. The City will develop incentives for ADU construction such as reduced fees and expedited permit processing.

Table D- Describes ADU permit trends between 2018 and 2023 and ADU assumptions for the planning cycle.

Table D-1 Approved ADU Building Permits

Year	Approved Building Permits	Pending Applications	Adjusted Figuring
2018	1		
2019	3		
2020	6		6
2021	8		8
2022	10		10
2023	6	16	16
Total (2018 - 2023)	34		
Total (2020 - 2023)			40
Average permits per year (next 8-year cycle)			10
Allowance for 2021-29 RHNA			80

5. Vacant Single-Family Lots

Only 41 vacant residential lots currently exist in the city. This vacant land consists of individual single-family (R-1) lots in developed neighborhoods and there are few locations where even two vacant sites are contiguous. The size of these vacant single-family lots varies from 0.13 acres to over an acre and are assumed to accommodate moderate and above-moderate income levels. These vacant sites are generally difficult to develop due to topography. The few lots that are large enough to present an opportunity for

further subdivision are very steeply sloped, rendering it impractical to construct additional units. At the same time, some of the lots presenting the greatest development challenge also provide spectacular views, inducing potential residents to make the investment needed for massive grading or other modifications of the lot. Thus, they are best suited for single-family housing. Infrastructure exists to serve these lots, though three of the lots lack direct street access and would require an easement across adjacent lots. Multifamily development on these vacant lots would be extremely challenging due to steep terrain.

APPENDIX E

Affirmatively Furthering Fair Housing (AFFH) Analysis

Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021, must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015.

Under State law, affirmatively further fair housing means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

According to the California Department of Housing and Community Development technical guidance document, dated April 2021, there are four parts to this requirement:

1. Outreach. A diligent effort must be made to equitably include all community stakeholders in the Housing Element public participation process.
2. Conduct an Assessment of Fair Housing. This should include an assessment of fair housing within the housing needs section of the Housing Element and should include an analysis of fair housing issues in the city including existing segregation and inclusion trends and an analysis of available federal, state, and local data and local knowledge to identify current fair housing issues.
3. Site Analysis. Evaluate and address how particular sites available for development of housing will meet the needs of households at all income levels and will Affirmatively Further Fair Housing by replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.
4. Priorities, Goals, and Actions. Based on the findings from the needs assessment and the site inventory analysis with respect to Affirmatively Furthering Fair Housing, the city will assess contributing factors to fair housing barriers and adopt policies with programs that remediate identified fair housing issues and/or further promote fair housing.

In compliance with AB 686, the City has completed the following outreach and analysis.

A. Outreach

City residents and stakeholders had several opportunities to recommend strategies, review, and comment on the draft Housing Element during its preparation and adoption. The City conducted the following community outreach activities during the Housing Element Update process:

- hosted a total of twelve fourteen public meetings and workshops,
- held two Town Hall meetings
- conducted an ADU survey
- conducted stakeholder interviews

As documented in Appendix C, the City held a total of fourteen public meetings during the Housing Element update process in an effort to include all segments of the community and engage key stakeholders. Each meeting was publicized on the City's website and meeting notices were also sent to persons and organizations with expertise in affordable housing and supportive services such as the Jamboree Housing Corporation, the Arc-South Bay, and Rebuilding Together South Bay Los Angeles, among others. Interested parties had the opportunity to interact with City staff throughout the Housing Element update process and provide direct feedback regarding fair housing issues. These groups were contacted again prior to the public review draft in July 2023, however the City received no responses.

The City also created a dedicated web page for the Housing Element update (<https://www.pvestates.org/services/planning/2021-update>) and provide opportunities for interested persons to participate in public meetings remotely, which made it possible for those with disabilities limiting their travel to participate and comment on the Housing Element regardless of their ability to attend the workshop.

Outreach efforts included two Town Hall meetings. The first Town Hall meeting occurred at 6 p.m. on September 9, 2023, at the Palos Verdes Estates Golf Club. Over 300 community members attended. The second Town Hall meeting occurred at 6 p.m. on February 7, 2024, at Lunada Bay Elementary School. Approximately 200 community members and stakeholders were in attendance.

The City also conducted a survey to assess the community sentiment toward Accessory Dwelling Units (ADUs). As ADUs will help the City affirmative further fair housing, the results of the ADU survey will provide insight toward the most appropriate AFFH priorities, goals and actions.

Meeting the RHNA requirement for lower income units via ADU production allows for feasible fulfillment of AB 686 by distributing lower income units throughout the city.

The City conducted Stakeholder interviews in February 2024. Stakeholders contacted included Peninsula Seniors, PVE Cares, Many Mansions, Jamboree Housing, the Arc-South Bay, and Rebuilding Together South Bay Los Angeles. A common topic was the need for entitlement process streamlining and flexible and/or reduced development standards to increase the feasibility of affordable housing. Stakeholders also mentioned the need for incentives and financing. Allowing for the ability to age in place was also a recurring theme.

B. Assessment of Fair Housing

The following analysis examines geographic data regarding racial segregation, poverty, persons with disabilities, and areas of opportunity as identified by the TCAC/HCD Opportunity Areas map.

1. Integration and Segregation

a. Racial segregation.

Living patterns in the city are mixed. As seen in Figure E-1, the percentage of non-white population in the city is relatively low compared to many areas of Los Angeles County. The block group with the highest percentage of non-white residents (41-60%) is located within the central portion of the city. There are patterns of less than 20 percent non-white residents in the northern portion of the City, with the remaining areas between 21 and 40 percent non-white. However, there are no significant concentrations or patterns of non-white residents anywhere in the City.

Table E-1 below shows race and ethnicity data for Palos Verdes Estates and Los Angeles County, the region, for 2010 and 2020.

Compared to Los Angeles County, Palos Verdes Estates has a higher representation of White and Asian residents, and a lower representation of Black and Hispanic residents. This is also true of the other cities on the Palos Verdes Peninsula. Between 2010 and 2020, Palos Verdes Estates saw an increase in Asian and multi-racial residents, but Black and Hispanic residents account for 8.8 percent of the population compared to a countywide figure of 56.6 percent. However, in the 10-year span, the percentage of residents who are Black doubled in Palos Verdes Estates, which is a much faster rate of increase than the county as a whole. The most significant change is that the number of White, Non-Hispanic households in the city declined from 74.1 percent to 65.5 percent over the decade, a much more significant decline than the Countywide change from 28.4 percent to 25.9 percent. However, it's important to keep in mind a small change in the number of households can cause noticeable shifts in the demographic percentages due to the small population size.

**Table E-1
Population Share by Race and Ethnicity, Palos Verdes Estates and Los Angeles County**

	Percent of Residents by Race in Palos Verdes Estates		Percent of Residents by Race in Los Angeles County	
	2010	2020	2010	2020
White Non-Hispanic	74.1%	65.5%	28.4%	25.9%
Hispanic/Latino	4.1%	6.6%	47.1%	48.3%
Black	1.1%	2.2%	8.5%	7.8%
Native American	0.0%	0.0%	0.2%	0.2%
Asian	17.5%	22.1%	13.6%	14.6%
Native Hawaiian/ Pacific Islander	0.0%	0.0%	0.2%	0.2%
Other	0.1%	0.1%	0.3%	0.4%
Two or More Races	3.0%	3.5%	1.7%	2.6%

Sources: American Community Survey, Five Year Averages for 2010 and 2020.

The “diversity index” is an indicator of racial and ethnic diversity within a given geographic area. It considers both race and ethnicity (Hispanic or Non-Hispanic). Figure E-2 depicts the diversity index for Census tract block groups in and around Palos Verdes Estates. The higher the number, the more diverse it is with a range from zero (no diversity) to 100 (complete diversity). An area’s diversity is 100 when the population is evenly divided into different race/ethnic groups. The AFFH Data Viewer indicates an index value that ranges between 34.1 and 55.6 for Palos Verdes Estates, indicating it is between low diversity and somewhat diverse. The rating is less diverse compared to many other census tracts on the Palos Verdes Peninsula, where no tracts rate below 55 in Rolling Hills Estates, Rancho Palos Verdes, and Rolling Hills. The diversity index is considerably higher in the more urbanized tracts in San Pedro and the Harbor neighborhoods to the east. There are patterns of a lower diversity index in the north and coastal areas of the City. The diversity index is at 55 percent or lower for the central portions of the City and between 55 and 70 percent in the mid to southern portions of the City.

Table E-1 shows that white non-Hispanic population decreased from 2010 to 2020 by 8.6%. The Hispanic/Latino population increased by 2.5%, and the population of Black residents increased by 1.1%. The Asian population increased by 4.6%. There was no change in the Native American or Native Hawaiian/ Pacific Islander populations, which remains at 0%. These changes in racial makeup of Palos Verdes Estates shares a similar trend with Los Angeles County as a whole, which indicates a decrease in White Non-Hispanic and Black populations, with an increase in Hispanic/Latino and Asian populations. There was no change in the Native American or Native Hawaiian/ Pacific Islander populations.

b. Persons with disabilities

The incidence of disabilities is relatively low in Palos Verdes Estates compared to many areas of Los Angeles County, with 9.3% of the city's population having one or more disabilities, compared to the county-wide average of 10.1%. This is supported by Table E-2, which indicates that the percentage of residents with a hearing disability is higher in Palos Verdes Estates than in the county as a whole. Conversely, a smaller percentage of Palos Verdes Estates residents have vision disabilities, cognitive disabilities, ambulatory disabilities, and self-care and independent living limitations.

Figure E-3 indicates the percentage of residents who are disabled in Palos Verdes Estates and the surrounding area. As Figure E-3 indicates, the majority of Palos Verdes Estates appears within the less than 10 percent range, similar to the majority of the surrounding cities, with a small portion of the City in the 10-20 percent range. This pattern of 10 to 20 percent of the population with a disability is in the northern portion of the City. However, this difference is minor, with the population only slightly higher than the 10% threshold.

Despite having a population that is significantly older than the county as a whole, the rate of disabilities in the city is still relatively low. This might be due to the higher household incomes and wealth in the city, which provides its disabled residents with better access to medical care and support services.

**Table E-2
Percentage of Residents with a Disability, Palos Verdes Estates and Los Angeles County**

	Percent of Residents in Palos Verdes Estates		Percent of Residents in Los Angeles County	
	2010	2020	2010	2020
Total with a Disability	N/A	9.3%	9.3%	10.1%
Hearing	N/A	3.6%	2.3%	2.5%
Vision	N/A	0.8%	1.8%	2.0%
Cognitive	N/A	3.5%	3.6%	4.2%
Ambulatory	N/A	4.6%	5.2%	5.8%
Self-Care	N/A	2.4%	2.6%	3.0%
Independent Living	N/A	4.6%	4.1%	5.6%

Sources: US Decennial Census, American Community Survey, Five Year Averages for 2010 and 2020. ACS 2010 indicates no data for Palos Verdes Estates ("X").

c. Familial Status

The federal Fair Housing Act prohibits discrimination based on familial status. This applies to households with children, including pregnant women and those in the process of obtaining legal custody of a child, regardless of their relationship to the adult members of the household. However, housing that is exclusively reserved for seniors is exempt from these requirements. Examples of discrimination based on familial status include refusing to rent to single parents or individuals with children, evicting tenants with children, or requiring families with children to live in specific areas of a multi-family building. Advertising that excludes children is also prohibited.

Table E-3 shows familial status in Palos Verdes Estates relative to Los Angeles County. The table compares the percentage of households in different categories, including families, married couples, single parent households, and non-families (including persons living alone). The table compares the percentage of households in different categories, including family households such as married couples and single parent households, as well as non-families which includes persons living alone.

**Table E-3
Population by Familial Status, Palos Verdes Estates and Los Angeles County**

		Percent of Total in Palos Verdes Estates		Percent of Total in Los Angeles County	
		2010	2020	2010	2020
Family Households		82.5%	80.4%	67.4%	66.4%
Married Couples		75.3%	68.6%	45.5%	44.8%
	With own children under 18 at home	31.2%	X	22.9%	X
Other Families		7.3%	11.7%	21.9%	21.5%
	Male householder, no spouse	1.30%	5.1%	6.6%	6.8%
	With own children under 18 years	0.2%	X	2.80%	X
	Female householder, no spouse	6.0%	6.7%	15.3%	14.7%
	With own children under 18 years	2.8%	X	8.1%	X
Non-family Households		17.5%	19.6%	32.6%	33.6%

Sources: American Community Survey, Five Year Averages for 2010 and 2020. All percentages refer to the percentage of total households in Palos Verdes Estates in the listed category. Statistics for households with children is unavailable for 2020.

As seen from the table above, Palos Verdes Estates has a much higher percentage of married couples compared to Los Angeles County as a whole. PVE sees most of the married couples in the southern half of the City, with 60 to 80 percent of the population being a married couple, while 40 to 60 percent of the population of the homes in the north are married copies. Approximately 12 percent of the city’s households are “other” families which are mostly comprised of mostly single parent households, about half the countywide average. Palos Verdes Estates also has fewer non-family households than Los Angeles County, with non-family households representing about 20 percent of the city compared to 34

percent countywide. Households in which 80 to 100 percent of children live with a married couple are located in the southern two-thirds of the City, whereas the City's remaining third in the north include households where 60 to 80 percent of the children live with married couples. The city's demographics indicate that the population is older with smaller households than the county.

The majority of zoning in Palos Verdes Estates is R-1 Single Family zoning, occupied by existing single-family homes. In the city, 90% of the total residential units are single family detached homes, and approximately 8% of these lots contain an Accessory Dwelling Unit, which could be used to house additional family members such as aging parents, college-age children, or in-laws.

d. Income Level

Recent Census estimates regarding poverty status of households in Palos Verdes Estates are shown in Figure E-4. As seen in this map, there are no concentrations of poverty, with the poverty rate less than 10% for all census tracts in the city. In addition, Figure E-5 illustrates that fewer than 25 percent of residents in all census tracts in Palos Verdes Estates are LMI (low to moderate income) persons and AFFH data indicates that only about 8 percent of all residents are LMI. The median annual income of the entire City is over \$120,000. There is a pattern of higher median income in the north and south census tracts of the City, where median incomes are greater than \$175,000. The central census tract of the city has slightly lower median incomes at \$120,000 to \$175,000.

Federal community development and housing programs generally aim to aid individuals with low to moderate income (LMI). For instance, to be eligible for Community Development Block Grant (CDBG) funding, activities must benefit residents of a predominantly residential region where at least 51 percent of the inhabitants are considered low- and moderate-income. Figures E-6 and E-7 show median income by Census block group for the Palos Verdes Estates Peninsula and the greater Los Angeles region respectively. As shown in the exhibits, the Palos Verdes Peninsula is one of the most affluent parts of Los Angeles County, with Palos Verdes Estates among the highest income census tracts in the County.

Table E-4 presents a comparison of income data between the city and the region. According to the table, Palos Verdes Estates demonstrates a significantly higher income distribution compared to the county. About half of its population earns more than \$200,000 annually, significantly higher than approximately 11 percent in the county. Conversely, only 12 percent of Palos Verdes Estates' households earn less than \$50,000 annually, while the same figure for the county is 45 percent.

However, it's worth noting that the percentage of households earning less than \$50,000 annually in Palos Verdes Estates has slightly increased from 12 percent in 2010 to 15 percent in 2020. This may be due to an increase in households with aging occupants relying on fixed incomes. In contrast, the countywide percentage of households in this category has decreased from 45 percent to 36 percent over the past decade.

A disparity in diversity may be influenced by socioeconomic factors, such as household income or percentage of persons in poverty. In 2022, the median household income for Palos Verdes Estates was \$224,766, with a per capita income of \$133,004. 3.8% of the population are deemed to be in poverty. Compared to the County of Los Angeles, the City's median household income is approximately \$141,355 more than the average resident in Los Angeles County, and \$91,157 higher than the per capita income of County residents. This disparity in income may contribute to the disparity in ethnic diversity via higher home values and property prices, which influences potential residents' willingness and ability to pay. The median value of owner-occupied housing units between 2018-2022 in Los Angeles County was \$732,200, with an average mortgage and associated costs of around \$2,945. Comparatively, the

median value of owner-occupied housing units in Palos Verdes Estates is in excess of \$2.0 million, with an average mortgage and associated costs at \$4,000. (<https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia/LFE305222>) This economic divide may impact the diversity of the City by influencing who can afford to live in the area, potentially leading to a less diverse population due to financial constraints.

**Table E-4
Household Share by Income, Palos Verdes Estates and Los Angeles County**

	Percent of Residents by Income in Palos Verdes Estates		Percent of Residents by Income in Los Angeles County	
	2010	2020	2010	2020
Less than \$10,000	1.0%	4.0%	6.2%	5.5%
\$10,000-\$14,999	2.5%	1.6%	5.8%	4.6%
\$15,000-\$24,999	2.2%	1.9%	10.5%	7.8%
\$25,000-\$34,999	3.6%	2.8%	9.8%	7.6%
\$35,000-\$49,999	3.0%	4.7%	13.1%	10.7%
\$50,000-\$74,999	8.8%	5.7%	17.6%	15.8%
\$75,000-\$99,999	10.9%	5.6%	12.0%	12.3%
\$100,000-\$149,999	14.5%	14.2%	13.4%	16.3%
\$150,000-\$199,999	10.9%	9.9%	5.5%	8.2%
\$200,000 or More	42.7%	49.6%	6.0%	11.1%
Median Income	\$163,542	\$197,826	\$55,476	\$71,358

Sources: American Community Survey, Five-Year Averages, 2010 and 2020

e. Racially and Ethnically Concentrated Areas of Poverty (R/ECAP) and Affluence

HUD identifies census tracts with a majority non-White population (greater than 50%) and poverty rates exceeding 40 percent or three times the average tract poverty rate for the metropolitan area, whichever is lower, as Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs). Figure E-8 shows the R/ECAP areas in southern Los Angeles County and that there are no R/ECAP areas on the Palos Verdes Peninsula. The entire City of Palos Verdes Estates is similar to the peninsula, with no areas of Racially/Ethnically Concentrated Areas of Poverty. The nearest areas are located in the Harbor area and Long Beach.

HCD has also identified “racially concentrated areas of affluence” (RCAAs), or areas that exhibit both high concentrations of White residents and high concentrations of wealth. A HUD Policy Paper defines racially concentrated areas of affluence as affluent, White communities. According to this report, Whites are the most racially segregated group in the United States and “in the same way neighborhood disadvantage is associated with concentrated poverty and high concentrations of people of color, conversely, distinct advantages are associated with residence in affluent, White communities.” Based on their research, HCD defines RCAAs as census tracts where 1) 80 percent or more of the population is white, and 2) the median household income is \$125,000 or greater (slightly more than double the national median household income in 2016).

Palos Verdes Estates, despite falling below the 80% threshold of white residents with a population of 66.5 percent White, Non-Hispanic, nevertheless aligns with the RCAA classification due to its considerable White majority and a median income of about \$200,000. This median income exceeds the State median income of \$87,100. As presented in Figure E-9, the entire City of Palos Verdes Estates is considered an RCAA, similar to substantial portions of the Palos Verdes Peninsula, including Rancho Palos Verdes, Rolling Hills Estates, and much of Rancho Palos Verdes,. This underscores a correlation between the racial composition, socioeconomic status, and spatial distribution of prosperity.

The sites used to meet the City’s 2021-2029 RHNA are shown in Figure III-1 above. All sites are located in block groups where the median income exceeds \$125,000 and the population mostly White. By providing multi-family housing opportunities in these areas, the RHNA strategy has the potential beneficial impact of diversify the City’s housing types and socioeconomic profile.

f. Historic Context

Like many communities in Southern California, Palos Verdes Estates reflects the cultural and social norms of its founding era, which predated the Fair Housing Act and civil rights movement. These norms included discriminatory practices that excluded certain racial and ethnic groups from property ownership. Table E-5 indicates that Palos Verdes Estates is primarily comprised of single-family homes. Additional detached homes were constructed between 2010 and 2020 but the composition of the housing stock did not change significantly. In Los Angeles County, less than half of the housing units are detached single family homes, and over one-third are within multi-family buildings. The county has experienced a rise in multi-family units over time, in contrast to Palos Verdes Estates, where over 90 percent of the dwelling units are single family homes, according to data from the California Department of Finance.

**Table E-5
Housing Units by Type, Palos Verdes Estates and Los Angeles County**

	Number/Percent of Total in Palos Verdes Estates		Number/Percent of Total In Los Angeles County	
	2010	2020	2010	2020
Single Family Detached	4,877 92.3%	4,894 92.3%	1,717,448 49.9%	1,732,045 48.2%
Single Family Attached	67 1%	67 1.3%	228,560 6.6%	234,107 6.5%
2-4 units	30 0.06%	30 0.06%	282,178 8.2%	295,700 8.2%
5+ units	297 5.6%	297 0.01%	1,156,648 33.6%	1,270,425 35.4%
Mobile Homes	12 0.2%	12 0.2%	58,253 1.7%	58,297 1.6%
TOTAL	5,283	5,300	3,443,087	3,590,574

Source: California Dept of Finance Table E-5, 2010 and 2020.

The City of Palos Verdes Estates, incorporated December 20, 1939, is the oldest of the four cities on the Palos Verdes Peninsula.

New York financier Frank A. Vanderlip, Sr. purchased the land from the Bixby family in 1913 with the idea of building a planned, residential community. The new community was laid out and landscaped by the famous Olmsted Brothers, sons of Frederick Law Olmsted, Sr., who designed Central Park in New York City. Gently winding roadways, green hillsides, paths, stands of eucalyptus, pepper, and coral trees were established, and a full 28% of the land area was dedicated to being permanent open space. This early planning and dedication of parklands gives the City its unique rural character and has resulted in its international reputation for scenic beauty.

Vanderlip's plans were slowed by World War I, but subdivision of the land and construction of the first Spanish style homes in what is today Palos Verdes Estates began in the early 1920's. Deed restrictions were imposed on the land in 1923, when the Bank of America, as trustee for Vanderlip's Palos Verdes Project, drafted a trust indenture and outlined provisions for development. The area was unincorporated and governed by the Palos Verdes Homes Association, which was liable for taxes on all parkland. After the economic crash in 1929, the Association owed taxes to Los Angeles County and residents, concerned that the parklands might be sold for payment, in 1939 voted for City incorporation. In 1940, the parklands were deeded by the Homes Association to the new City.

Deed restrictions were established for each parcel of land to ensure conformity of use to the Master Plan and to provide features which guaranteed quality development. The Palos Verdes Homes Association was instituted to administer the Master Plan, protective restrictions, and maintenance of streets and public areas. Palos Verdes Estates was the first increment of the "Project" consisting of over 3,000 acres of the initial purchase. The community was well established before the depression forced the abandonment of the Master Plan and development of the rest of the Peninsula.

The City was incorporated on December 20, 1939, to take over the normal governmental functions. The Homes Association's Board of Directors and Art Jury have continued to provide guidance to the development of the community through administration of the protective restrictions. In 1939, the newly incorporated City of Palos Verdes Estates assumed ownership from the Palos Verdes Homes Association. The City of PVE would take over most governing functions other than architectural approvals. The Miraleste portion of the Project was eventually absorbed into Rancho Palos Verdes but is still under the jurisdiction of the PVHA.

2. Access to opportunity

The California HCD and the California Tax Credit Allocation Committee (TCAC) have created a set of "opportunity maps" that assess resource levels and assign scores to each census tract, with a maximum score of 1.0. These maps aim to improve the eligibility of "high resource areas" for low-income housing tax credit funding, making it more feasible to construct affordable housing in these areas.

According to the HCD and the TCAC Opportunity Area Maps (Figures IV-10 to IV-13), Palos Verdes Estates is entirely within designated "High Resource" areas. High Resource areas are areas with high index scores for a variety of educational, environmental, and economic indicators. Some of the indicators identified by TCAC include high levels of employment and close proximity to jobs, access to effective educational opportunities for both children and adults, low concentration of poverty, and low levels of environmental pollutants, among others.

a. TCAC Environmental Outcomes

In this context, "environmental conditions" refers to environmental health and exposure to man-made hazards such as vehicle exhaust, industrial emissions, and cancer-causing substances, rather than natural hazards like wildfires and landslides. Figure E-10 shows that the environmental conditions in Palos

Verdes Estates are positive, with no major industrial sites or pollution sources. The environmental score in the city ranges from 0.72 to 0.90, with the lowest score located in the north side of the city.

According to Cal EnviroScreen 4.0 maps and the Public Health Alliance of Southern California's "Healthy Places Index," Palos Verdes Estates is in the highest-ranking category. This is also the case for other cities in the area. However, environmental hazards are more prevalent along freeways and in the Harbor area, where there are more industrial sites and refineries.

b. TCAC Economic Outcomes

Figure E-11 shows a measure of wealth and access to jobs in southern Los Angeles County. Palos Verdes Estates and all of the Peninsula cities are in the highest category, reflecting high rates of home ownership, high home values, and high incomes.

The TCAC Economic Score for Palos Verdes Estates ranges from 0.95 to 0.97, which is in the highest of the four quartiles shown on the opportunity map. Neighboring census tracts on the Palos Verdes Peninsula have comparable scores, generally around 0.90. Less than five miles to the east, in San Pedro and Wilmington, the economic index is as low as 0.04 in some census tracts. The City of Torrance, located to the north of Palos Verdes Estates has comparable economic opportunity scores to the peninsula, despite having a more moderate-income profile. Torrance is predominantly White and Asian population, while the Harbor area is primarily Latino, an indication that race and ethnicity may have an influence on economic opportunity.

c. TCAC Educational Outcomes

Educational outcomes are shown in Figure E-12. Palos Verdes Estates is in the highest quartile, scoring between 0.98 to 1.0. This reflects the community's high wealth and access to education. Conversely, scores step down significantly moving to the east, with the third quartile just east of Rolling Hills, then the second quartile, and then the lowest quartile in San Pedro roughly four miles east. Low outcomes also appear in Wilmington and the neighborhoods around the Port of Los Angeles.

d. Composite Opportunity Map

The TCAC analysis is combined in Figure E-13, taking into account the three key variables discussed in Figures IV-10, IV-11, and IV-12. The results confirm the positive environmental health, economic well-being, and educational opportunities in Palos Verdes Estates and its neighboring cities, which are all high-resource and high-opportunity areas.

When viewed from a broader regional perspective, Figure E-13 shows that nearly all coastal communities in Los Angeles County are in the highest resource category. Conversely, there are neighborhoods with moderate to low resources stretching from downtown Los Angeles to the Port of Los Angeles. The central part of LA is marked as having high segregation and poverty levels, corresponding to the lowest level of opportunity. As one moves further east, the pattern becomes more complex, with a mix of high, moderate, and low resource areas stretching towards the San Gabriel Valley and Orange County.

e. Transportation

Access to public transportation in and around Palos Verdes Estates is limited. According to US Census data, not a single resident of the city commutes to work via public transit. The Palos Verdes Peninsula

Transit Authority runs busses that cater to the needs of the community and connect it to the commercial centers of the Peninsula and San Pedro. These busses also offer connections to other transit systems, such as the Metro Silver Line in San Pedro, thereby enabling travel to Los Angeles and other regional destinations. However, due to the long distance and travel time, these connections are not practical options for daily commutes to work.

3. Disproportionate Housing Needs

Following HCD guidance, this analysis discusses disproportionate housing needs for protected classes, including cost burden, overcrowding, and substandard housing conditions.

a. Housing Tenure and Housing Tenure by Race

Table E-6 shows tenure in Palos Verdes Estates and Los Angeles County as a whole. Relative to the region, Palos Verdes Estates has a much higher rate of homeownership. The rate was almost 90 percent in 2020, compared to 46 percent regionally. However, homeownership rates slightly decreased in both Palos Verdes Estates and Los Angeles County, but the number remains very small.

**Table E-6
Housing Tenure in Palos Verdes Estates and Los Angeles County**

	Percent of Households in Palos Verdes Estates		Percent of Households in Los Angeles County	
	2010	2020	2010	2020
Owners	90.0%	87.9%	48.2%	46.0%
Renters	10.0%	12.1%	51.8%	54.0%

Sources: American Community Survey Five-year averages for 2010 and 2020

Differences in home ownership rates can often be attributed to race and ethnicity. On a national and regional level, Black/African American households have a lower rate of home ownership than White households. However As shown in Table E-7, all Black and multi-racial households are homeowners. Meanwhile, 90 percent of White households and 86 percent of Asian households own homes. The Latino population has a significantly lower rate of home ownership at 55 percent.

**Table E-7
Palos Verdes Estates Home Ownership Rates by Race/Ethnicity**

Race/Ethnicity	Owners	Renters	Total	% Owners
White, Non-Hispanic	3236	375	3611	90%
Asian, Non-Hispanic	737	120	857	86%
Black, Non-Hispanic	65	0	65	100%
Hispanic/Latino	117	94	211	55%
Two or more races	135	0	135	100%

Source: American Community Survey Five-Year averages for 2020

b. Cost Burden

If a household utilizes more than 30 percent of its income on housing (including utilities), the household is considered cost burdened. The US Department of Housing and Urban Development (HUD) publishes CHAS (Comprehensive Housing Affordability Strategy) data on the number of households that are cost burdened in each community using federally defined income categories. According to CHAS 2014-2018 data, roughly 29 percent of the city's households are considered cost-burdened, but most have above moderate incomes.

According to the CHAS 2014-2018 data, there are 805 low- and very low-income households in Palos Verdes Estates (i.e., earning 80 percent or less of the areawide median income [AMI]). 590 of these households were cost-burdened, 460 of which were defined as being "severely" cost-burdened or spend more than half their incomes on housing. CHAS data indicates that the majority of lower-income households experiencing cost burden were homeowners, with 425 of the cost-burdened lower-income households. The high number of cost-burdened low-income homeowners is likely associated with retired seniors who are living on fixed incomes, and are responsible for paying property taxes, utilities, insurance, HOA dues and other housing costs—even after they have paid off their mortgages. These expenses may add up to several thousand dollars a month. CHAS data also identifies 25 very low-income renter households in the city (30-50% of AMI), along with 185 very low-income owners. Over eighty percent of these households pay more than 30% of their income on rent.

As illustrated in Figures E-14 and E-15, the incidence of cost burden in Palos Verdes Estates is similar to the surrounding cities on the Palos Verdes Peninsula. Figure E-14, which is based on American Community Survey (ACS) data for 2015-2019, identifies two of the three tracts in Palos Verdes Estates as being in the 40-60% overpayment interval for homeowners, indicating a pattern of higher overpayment for homeowners in the central and south census tracts of the City. In other words, between 40 and 60 percent of its owner-occupied households spend more than 30 percent of their incomes on housing. The remaining tract is in the 20%-40% range. The highest concentration of overpayment by homeowners (60 to 80 percent) is in the central third portion of the City. The southern third of the City contains 40 to 60 percent of homeowners who overpay.

Figure E-15, which is also based on ACS data for 2015-2019, identifies two of the three tracts in Palos Verdes Estates in the 40-60% overpayment interval and remaining tract as 20% to 40% overpayment interval for renters. This indicates a higher pattern of overpayment for renters in the central and north census tracts of the City. As Figure E-15 indicates, the rate of overpayment is significantly higher to the southeast of the city in Rancho Palos Verdes and Rolling Hills Estates. Palos Verdes Estates renters tend to be more affluent and are typically renting single family homes rather than apartments.

Table E-8 below shows that in 2008-2012, most extremely low- income owner-occupied households and over half of the renter-occupied households in Palos Verdes Estates were considered severely cost-burdened. This trend changed, with almost half of the owner-occupied households and 90 percent of the renter occupied households considered severely cost-burdened in 2014-2018. Rates of cost-burden were higher in Palos Verdes Estates than in the county as a whole. At a countywide level, about 63 percent of all low-income homeowners and 75 percent of all low- income renters are cost-burdened compared to 70 percent and 82 percent in Palos Verdes Estates, respectively.

**Table E-8
Percentage of Cost-Burdened Households, Palos Verdes Estates and Los Angeles County**

	Percent of Households in Palos Verdes Estates(*)		Percent of Households in Los Angeles County	
	2008-2012	2014-2018	2008-2012	2014-2018
Cost-burdened households earning less than 80% AMI (low income)				
Owners				
Paying > 30%	73%	70%	66.3%	63.1%
Paying > 50%	57%	48%	44.3%	40.2%
Renters				
Paying > 30%	75%	82%	73.3%	75.1%
Paying > 50%	47%	82%	43.0%	44.5%
Cost-burdened households earning less than 30% AMI (extremely low income)				
Owners				
Paying > 30%	93%	65%	74.7%	75.4%
Paying > 50%	74%	45%	62.4%	63.0%
Renters				
Paying > 30%	56%	90%	82.4%	81.7%
Paying > 50%	56%	90%	70.4%	70.2%

Sources: CHAS HUD User website, data for 2008-2012 and 2014-2018.

c. Overcrowding

If a housing unit is occupied by more than one person per room excluding kitchens and bathrooms, it is considered overcrowded. Only about one percent of the city’s households is overcrowded by this definition. Additionally, no households in the city meet the definition of “severe overcrowding”, which are housing units occupied by more than 1.5 persons per room. The results indicate that there is no overcrowding in the city’s renter-occupied households.

Units on the Palos Verdes Peninsula do not meet the definition of overcrowding and there are no patterns of overcrowding, as illustrated in Figure E-16. The overcrowding rates for the Palos Verdes Peninsula, as a whole are below the statewide average of 8.2 percent. Less than 5 percent of the housing units in the entire City are overcrowded.

Table E-9 shows household overcrowding in Palos Verdes Estates and Los Angeles County, confirming that rates of overcrowding are much lower in the city. In Palos Verdes Estates, there are no overcrowded rental units, and less than 1 percent of owner-occupied units meet the Census definition of overcrowding. Additionally, the data suggests little to no change between 2010 and 2020 in Palos Verdes Estates. In contrast, countywide data shows that roughly 6 percent of owner-occupied units and 16 percent of rental units are classified as overcrowded, with insignificant changes between 2010 and 2020.

**Table E-9
Overcrowded Households, Palos Verdes Estates and Los Angeles County**

		Percent of Households in Palos Verdes Estates		Percent of Residents in Los Angeles County	
		2010	2020	2010	2020
Owner Households					
	Less than 1.0 persons per room	100%	99.1%	93.9%	94.3%
	1.01-1.50 persons per room	0	0.6%	4.6%	4.1%
	1.51-2.00 persons per room	0	0.3%	1.1%	1.1%
	2.01 or more persons per room	0	0	0.3%	0.5%
Renter Households					
	Less than 1.0 persons per room	100.0%	100.0%	82.4%	84.0%
	1.01-1.50 persons per room	0	0	9.8%	8.5%
	1.51-2.00 persons per room	0	0	5.2%	5.3%
	2.01 or more persons per room	0	0	2.6%	2.2%

Sources: American Community Survey Five-Year averages for 2010 and 2020

d. Housing Problems

The HUD CHAS data indicates the number of households that experience one of four specific housing problems in each community: (1) lack of a complete kitchen; (2) lack of complete plumbing facilities; (3) overcrowding; and (4) severe cost burden (paying more than 50 percent of income on housing). According to 2014-2018 CHAS data, there are about 1,170 owner-occupied households and 245 renter households in Palos Verdes Estates with one or more of these problems. Of these households, the CHAS data indicates there are 620 owner-occupied households and 75 renter-occupied households that are cost burdened. However, as shown in Figure E-17, the rate of severe housing problems is under 20% in all of Palos Verdes Estates and the majority of the Palos Verdes Peninsula. Figure E-17 demonstrates that there is no distinct pattern of housing problems in the city or the entire Palos Verdes peninsula.

e. Displacement Risk

Figure E-18 illustrates vulnerability to displacement in southern Los Angeles County. Vulnerable communities are communities where 20 percent or more of the population is low income and two or more of the following conditions are present:

- Renters are over 40% of all households
- People of color are 50% or more of the population

- Share of severely cost-burdened very low-income renters is above county median
- Rents have been increasing at faster rate than county median
- Larger than average gap between local rents and rents in surrounding tracts

None of the Palos Verdes Peninsula cities are shown as vulnerable.

Palos Verdes Estates has a low risk of displacement because of the high rate of homeownership. However, displacement could happen due to other factors, such as aging households that are unable to maintain their property or covering the expenses required for aging in place.

f. Homelessness

According to Los Angeles Homeless Services Authority (LAHSA), the annual point-in-time count for Los Angeles residents identified four unhoused residents in the city in 2016, none between 2017 to 2020 and two in 2022. While there are a relatively low number of unhoused residents in the City, homelessness is a regional issue and consideration of the homeless is important in formulating housing policy. For example, there were 306 homeless individuals as of February 2022 in the nearby City of Torrance. In July of 2022, Torrance opened a homeless shelter consisting of a temporary community of 40 tiny homes in the parking lot behind the Torrance Superior Courthouse. Stays at the temporary housing units are typically three to six months, and in some cases, can be longer, depending on the needs of the individual. The shelter is staffed 24 hours per day by caseworkers and security.

However, the low number of unhoused residents in the City and on the Palos Verdes Peninsula reflects the absence of shelter facilities and other supportive services and there is no pattern of homelessness in the City of Palos Verdes Estates.

g. Other Relevant Factors

The State's guidance for AFFH requires that other relevant factors contributing to fair housing issues be evaluated as part of this analysis. As explained in this section, the principal contributing factor is that Palos Verdes Estates was developed with open space at the forefront. The city has 28% of its land area dedicated to open space. The city's single-family character was reinforced by the General Plan's goal to fulfill its role in the area as a low-density, bedroom community. These requirements limited the rental housing supply to very expensive single-family homes and resulted in almost 90 percent of the city's households being homeowners.

Additionally, the existence of private restrictive covenants on most of the city's residentially zoned property limits development intensity and 92 percent of residential units are zoned for single family homes. This has been an impediment to the development of multi-family housing.

The high cost of housing in Palos Verdes Estates has historically precluded low- and moderate-income households from living in the city, unless they were home care providers, domestic employees, persons renting a room, family members, or seniors without a mortgage. Additionally, lending practices historically favored White borrowers, making the city less diverse than the county and region. This has changed in the past few decades and the City has become more racially diverse. However, the city has not become economically diverse.

In addition, employment opportunities for the great majority of Palos Verdes Estates residents are outside the city in the neighboring industrial-commercial center.

C. Site Inventory

AB 686 mandates that cities identify sites throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. The sites identified in the Housing Element must work to replace segregated living patterns with integrated living patterns. Palos Verde Estates has done this by focusing on Accessory Dwelling Units (ADUs) ADUs allow for economic integration as they enable low and very low-income households to live in homes distributed throughout the community versus concentrated in specific areas. Per Program 7, the City will monitor ADU construction during the planning period and make adjustments every two years as appropriate if assumptions are not met.

1. Local Data

HCD's guidance for the AFFH analysis indicates that cities should use local data and knowledge to analyze fair housing issues, including information obtained through community participation or consultation. The regional demographic data help show spatial patterns but do not expressly explain why problems exist. An additional screen of local insights is necessary to complement federal and state data sources.

The Palos Verdes Peninsula was master planned over 100 years ago as a low-density community with large parcels marketed to prospective homeowners. Rental housing was not included in these plans and CC&Rs were drafted and enforced to maintain the single-family character. Additionally, the high cost of land has made affordable housing construction economically infeasible, which will continue to be an impediment in the future.

Local data and knowledge support a fair housing strategy that is heavily focused on ADUs with potentially reduced rents. Providing additional ADU and JADU opportunities would help contribute to the State's integration and equity goals while improving access to housing in a high-resource area. It can also reduce commuting and associated congestion and greenhouse gas emissions.

2. Distribution of Proposed Housing Sites

The distribution of sites in the City's site inventory should not exacerbate patterns of segregation, access to opportunity, and disproportionate housing needs. The site inventory must be consistent with the city's obligation to affirmatively further fair housing.

As stated previously, the entire city is in the highest resource category. The land use pattern is homogenous and consistent with all other areas of the city, and there are no obvious disparities in housing condition, demographics, or income.

The City will distribute affordable housing through four sites within housing opportunity areas and 80 ADUs on sites distributed throughout the city.

The City will adopt provisions to allow "by right" development of these sites.

**Table E-10
Identified Sites and Affirmatively Furthering Fair Housing**

Area	Number of Households	Regional Housing Need Allocation			Median Income	TCAC Resource	Overpayment
		Lower	Mod	Above Mod			
ADUS City-wide	4,810	48	5	27	\$100,000+	High	20-40% in north; 40-60% in south
Vacant Single Family - City-wide	4,810			41	\$100,000+	High	20-40% in north; 40-60% in south
Malaga Cove – north census tract	2,126 in census tract	11	6		\$100,000+	High	20-40%
Lunada Bay - south census tract	1,609 in census tract	11	6		\$100,000+	High	40-60% in south
First Church of Christ, Scientist - north census tract	2,126 in census tract	60	32		\$100,000+	High	20-40%

D. Priorities, Goals, and Actions

1. Fair Housing Enforcement

The State of California's Office of Fair Housing and Equal Opportunity (FHCO) mission is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities. FHCO enforces the Fair Housing Act and other anti-discrimination laws, if the City receives a fair housing complaint, the involved party would be referred to FHCO for investigation.

The City complies with State and federal housing laws as follows:

Fair Housing Act; Title VI of the Civil Rights Act of 1964 – the City complies by ensuring its actions related to housing are not discriminatory through City protocols and decision-making procedures.

Rehabilitation Act of 1973 – see Fair Housing Act; also, the City complies through its accessibility protocols, administered and enforced by the City’s Building Official.

American Disabilities Act – the City complies with the ADA through building permit review and issuance.

California Fair Employment and Housing Act (FEHA) and FEHA Regulations – the City complies with FEHA and its regulations through established City protocols decision-making, legal counsel and advisement.

Government Code Section 65008 – the City Zoning Code is written to ensure that the City’s actions regarding the development of housing for persons and families of very low, low, moderate, and middle incomes, or emergency shelters for the homeless, are not discriminatory. Programs are included in this Housing Element to facilitate housing for all households, including protected classes (e.g., programs regarding residential care facilities, emergency shelters, and reasonable accommodations).

Government Code Section 8899.50 – Appendix F of this Housing Element documents compliance with Affirmatively Furthering Fair Housing requirements.

Government Code Section 11135 et. seq. – the City complies with anti-discrimination requirements through the City’s Human Resources programs and the City’s procurement protocols.

Density Bonus Law (Government Code Section 65915) – the City implements density bonus provisions in compliance with the Density Bonus Law.

Housing Accountability Act (Government Code Section 65589.5) – the City has documented compliance with the HAA.

No-Net-Loss Law (Government Code Section 65863) – the City has documented compliance with sufficient capacity for RHNA and will ensure compliance with no-net-loss via required annual reporting to HCD.

Least Cost Zoning Law (Government Code Section 65913.1) – the City includes programs in this Housing Element to ensure that sufficient land is zoned with appropriate standards to accommodate its RHNA.

Limits on growth control (Government Code Section 65302.8) – the City complies as it has no growth control measures.

Housing Element Law (Government Code Section 65583) – this Housing Element documents compliance with Housing Element Law.

There are no known pending lawsuits, enforcement actions, judgements, settlements, or findings related to fair housing and civil rights in Palos Verdes Estates. Palos Verdes Estates will comply with all applicable state and federal laws, including but not limited to, the federal Fair Housing Act and Americans with Disabilities Act (ADA), the California Fair Employment and Housing Act, and the Housing Accountability Act.

HCD’s AFFH data viewer shows that there were two FHEO inquiries between 2013-2021. The two inquiries are noted as “Failure to Respond” and “No Valid Issue” in the AFFH data viewer. The City has not received any complaints or inquiries regarding fair housing in the City and is unaware of any other fair housing cases that may have occurred without being formally reported. In addition, the City is unaware of the use of any Section 8 housing choice vouchers within the city, or the denial of any potential use of a voucher within the city.

Per Program 10, the City will continue to post State regulations at City Hall and at the Library regarding fair housing together with the appropriate contact information regarding housing discrimination problems and post copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints, along with contact information for DFEH.

2. Identification and Prioritization of Contributing Factors

Contributing factors are the forces that create, contribute to, perpetuate, or increase the severity of fair housing issues. In its AFFH Guidance Memo, HCD identified eight contributing factor topic areas: general outreach, fair housing enforcement and outreach capacity, segregation and integration, racially

and ethnically concentrated areas of poverty, disparity in access to opportunity, disparity in access for persons with disabilities, disproportionate housing needs and displacement risks, and the site inventory.

Since Palos Verdes Estates is a high-resource, high-opportunity area, the City's AFFH strategies will focus on Disparities in Access to Opportunity and Fair Housing Outreach and Enforcement Capacity.

The following is an assessment of contributing factors that affect fair housing choice in Palos Verdes Estates along with strategies that mitigate these factors.

Priority 1: Address Disparities in Access to Opportunity

Contributing Factors:

- Land Use and Zoning Laws
- Restrictive Covenants

The Housing Element's Housing Programs will address disparities in access to opportunity. These disparities have been created by land use and zoning laws and restrictive covenants governed by the Palos Verdes Estates Homes Association.

The 2021-2029 Housing Element identifies steps the City will take to mitigate this contributing factor.

Specific Programs aimed at mitigating land use and zoning as a contributing factor include:

- Program 7. Continue to encourage production of accessory dwelling units.
- Program 8. Continue to implement density bonus incentives consistent with State law.
- Program 13. Zoning Code Review and Update. The zoning code update will allow for by-right residential units at all income levels. These code revisions will not interfere with existing restrictive covenants.

Specific Programs (described in Chapter 6) aimed at mitigating restrictive covenants include:

- Program 13. Zoning Code Review and Update. The zoning code update will allow for by-right residential units at all income levels. These code revisions will not interfere with existing restrictive covenants.

Priority 2: Increase Fair Housing Outreach, Education and Enforcement Capacity

Contributing Factors:

- Lack of local fair housing outreach and enforcement

The second AFFH priority area is to improve fair housing outreach, education, and enforcement capacity. While public agencies do not directly control the actions of private property owners related to fair housing, they can influence outcomes. The City has limited staff and a severely constrained budget, very limited tax-generating commercial land uses, and limited revenue to fund new programs. The city has very little capacity to conduct outreach and enforcement of fair housing.

Program 10, Affirmatively furthering fair housing, recommends that the City increase its capacity for fair housing outreach, education, and enforcement. This would include education to those choosing to rent their homes or ADUs regarding state and federal laws on discrimination.

E. Conclusion

Palos Verdes Estates' biggest obstacle to fair housing is high housing cost, which limits lower-income households from accessing the high opportunities and resources available in the City.

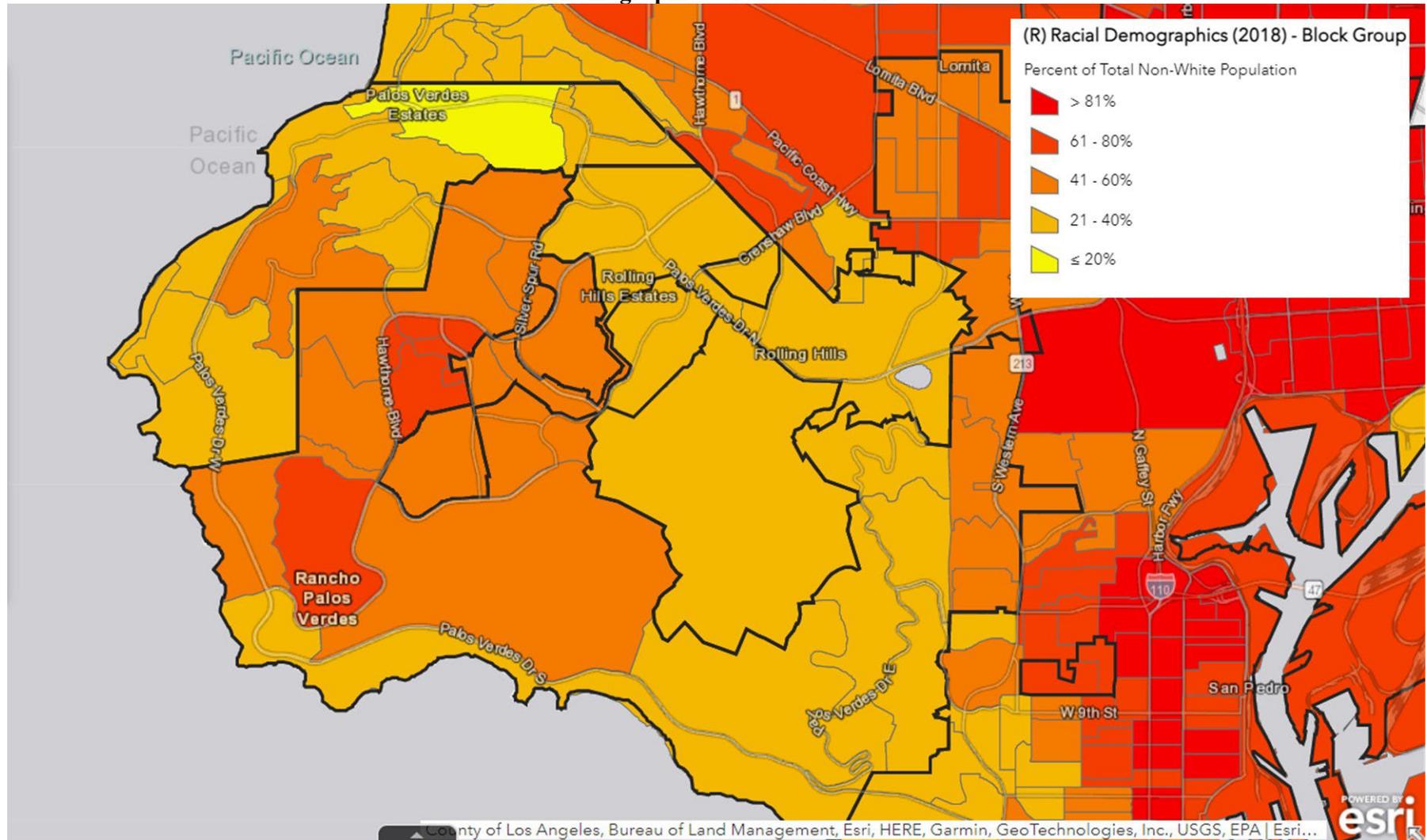
The Housing Plan (Section V) includes Program 3 to encourage and facilitate mixed commercial and residential use in commercial areas, which can accommodate low- and moderate-income housing, and Program 7 to encourage the provision of accessory dwelling units, which can expand affordable housing opportunities for lower-income persons. Program 10 describes actions the City will take to affirmatively further fair housing and address any issues of housing discrimination that may arise.

According to the California Code of Regulations, a land use practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of individuals, or creates, increases, reinforces, or perpetuates segregated housing patterns, based on membership in a protected class. Such practices may still be lawful--however, the State has determined that they should be mitigated to the extent that they increase, reinforce, or perpetuate segregated housing patterns. In this context, the State has found that single family zoning itself has had unintended (and in some cases, intended) discriminatory effects. In response, the legislature has taken steps requiring local governments to accommodate additional housing units on single family zoned sites.

Palos Verdes Estates an ADU ordinance to regulate and allows accessory dwelling units. ADUs help promote fair housing and provide affordable housing options.

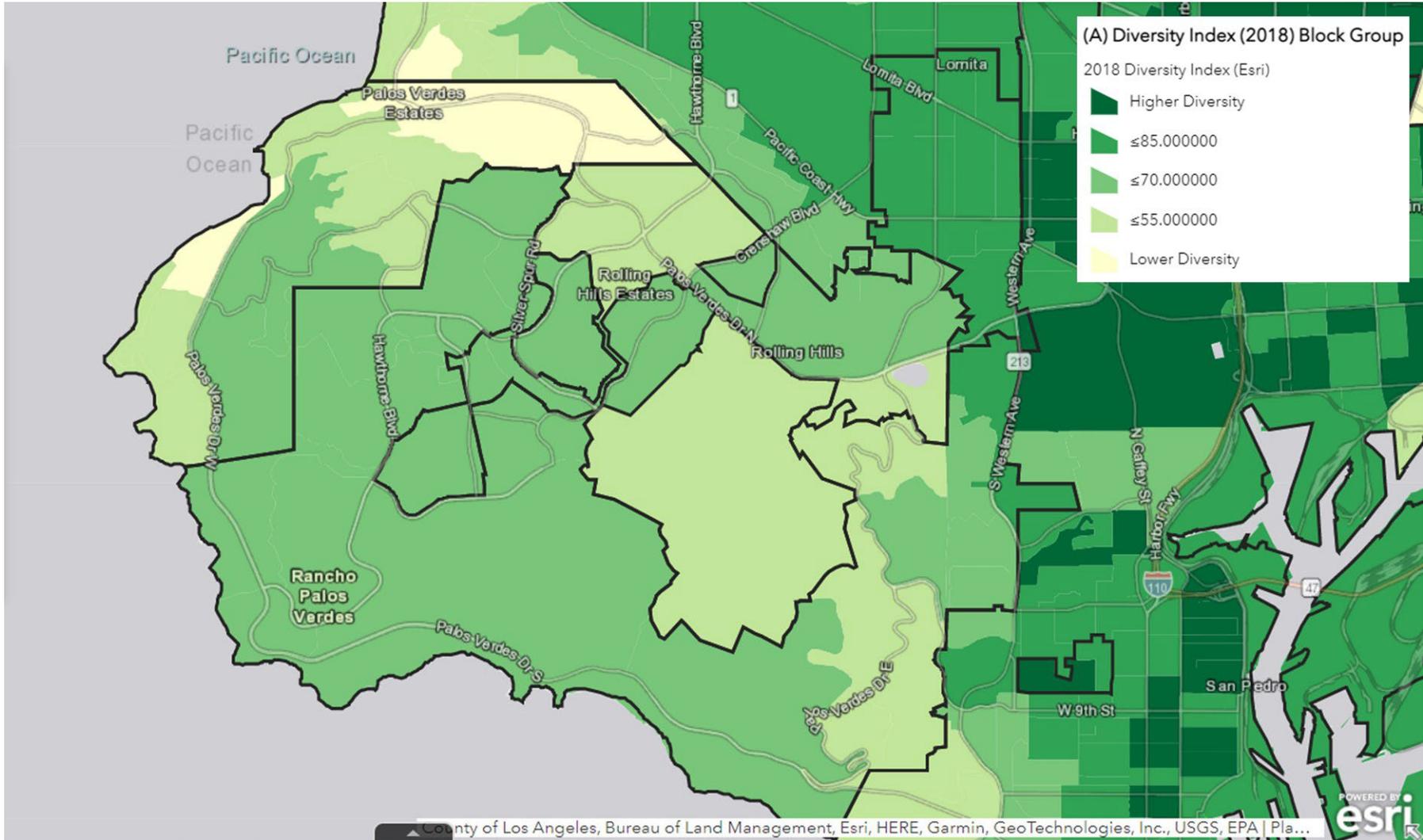
Palos Verdes Estates is making an effort to affirmatively further fair housing by conducting outreach and education. Per Program 10, the City will continue to post State regulations at City Hall and at the Library regarding fair housing together with the appropriate contact information regarding housing discrimination problems and post copies of California Department of Fair Employment and Housing publications No. DFEH-157H, DFEH-159, DFEH-700-01, and DFEH-FS06-2003, which provide fact sheets and information to assist in filing housing complaints, along with contact information for DFEH..

Figure E-1
Racial Demographics – Palos Verdes Estates



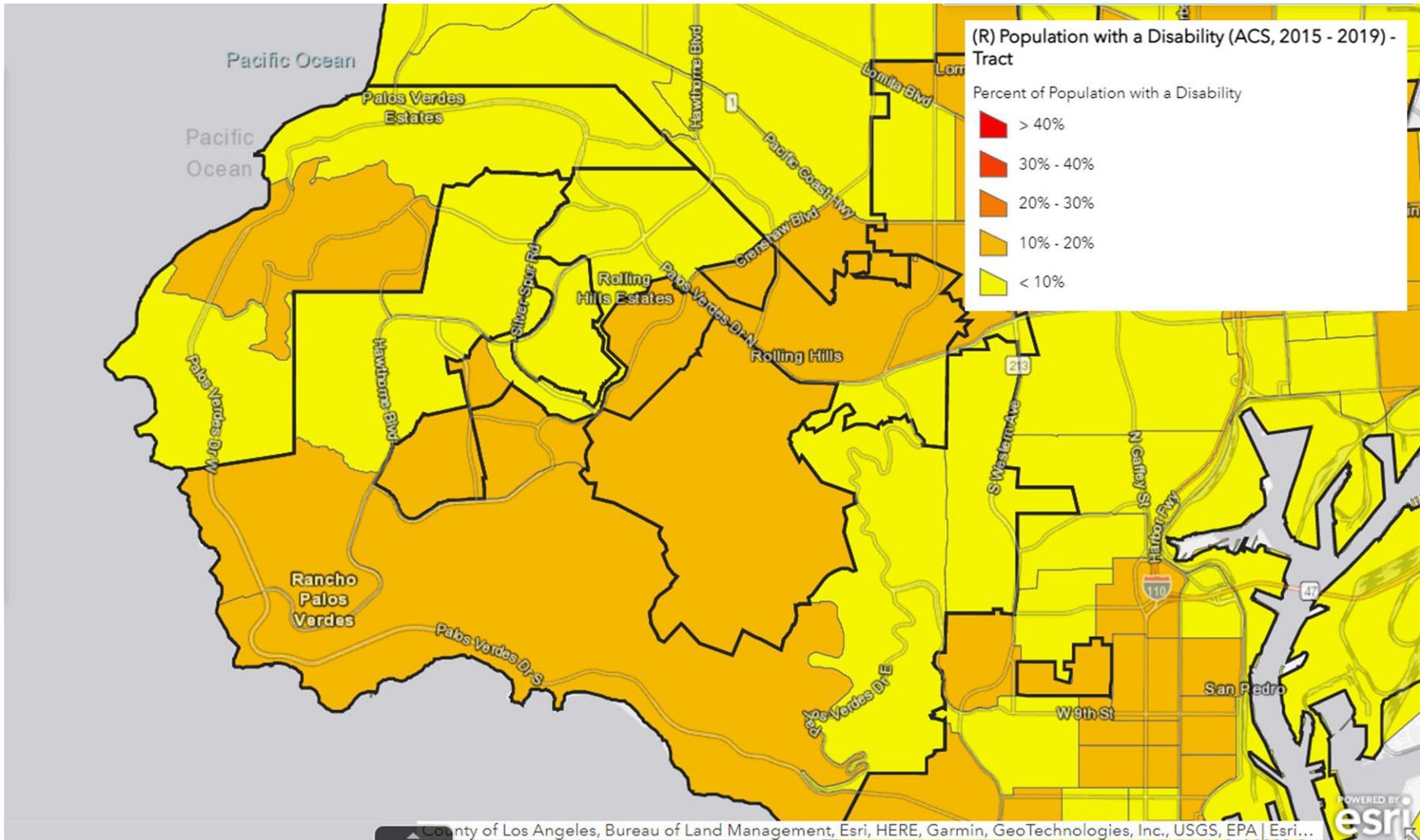
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-2
AFFH Diversity Index – Palos Verdes Estates



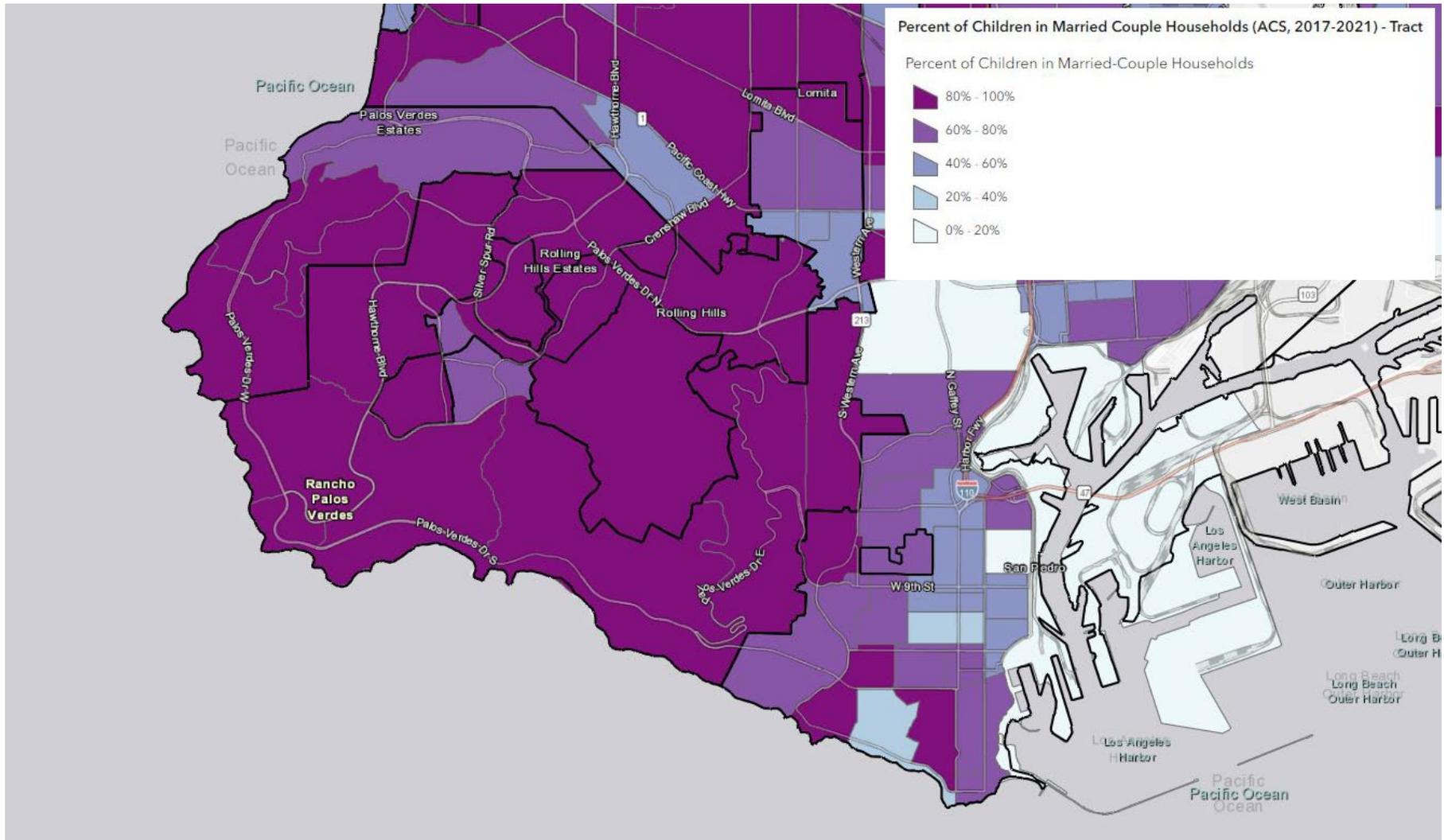
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-3
Population with a Disability – Palos Verdes Estates



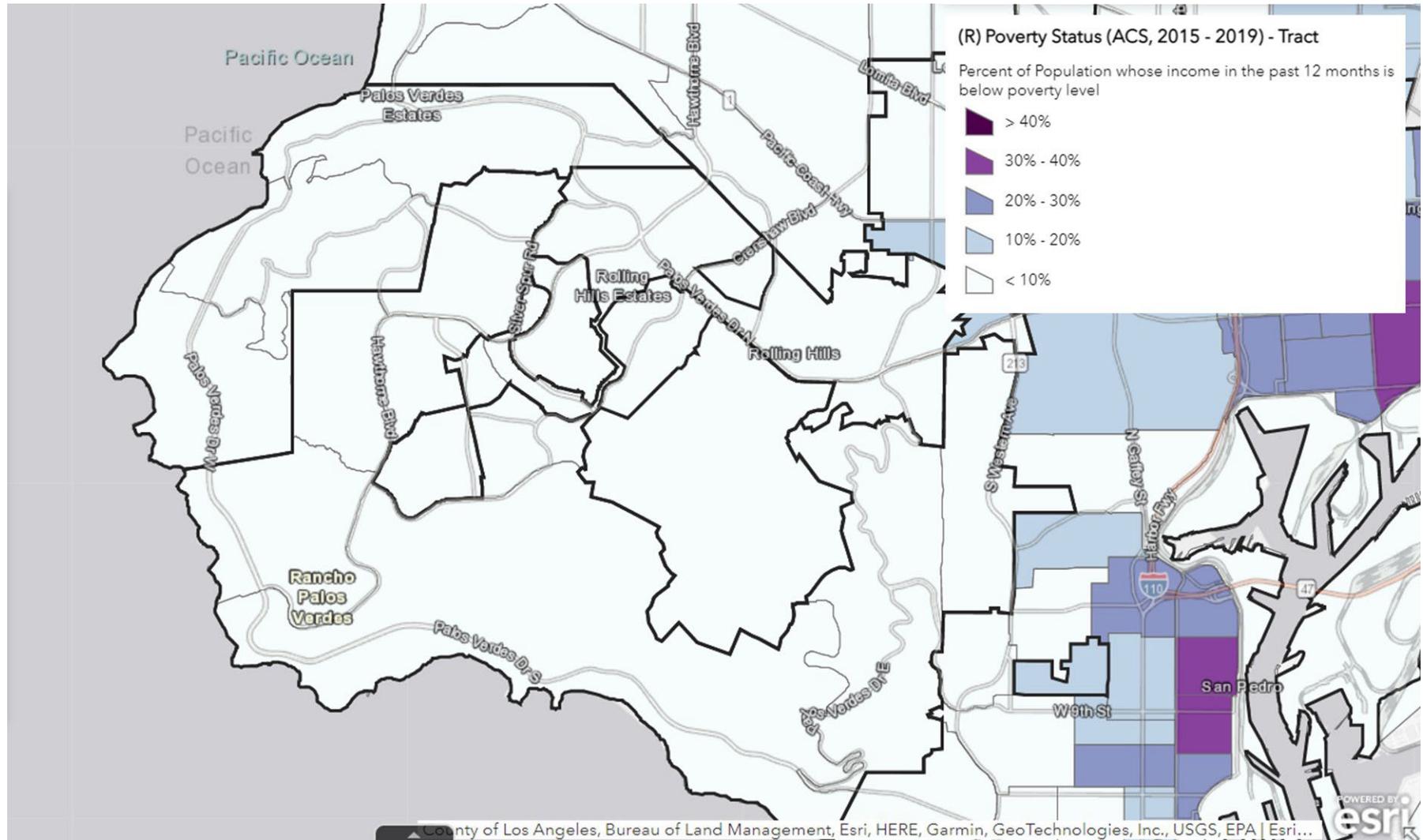
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-4
Percent of Children in Married Couple Households – Palos Verdes Estates



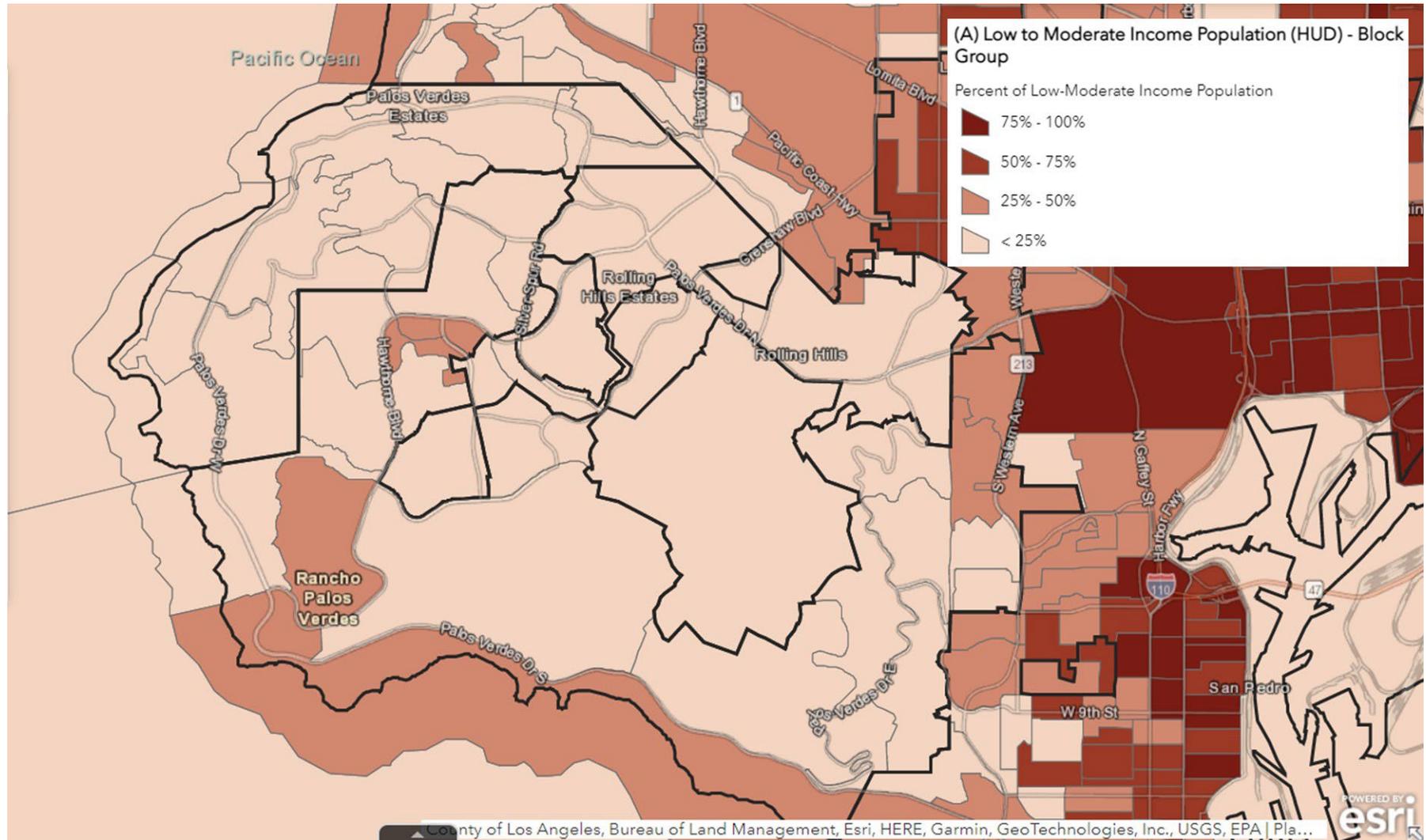
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2.0

**Figure E-5
Poverty Status – Palos Verdes Estates**



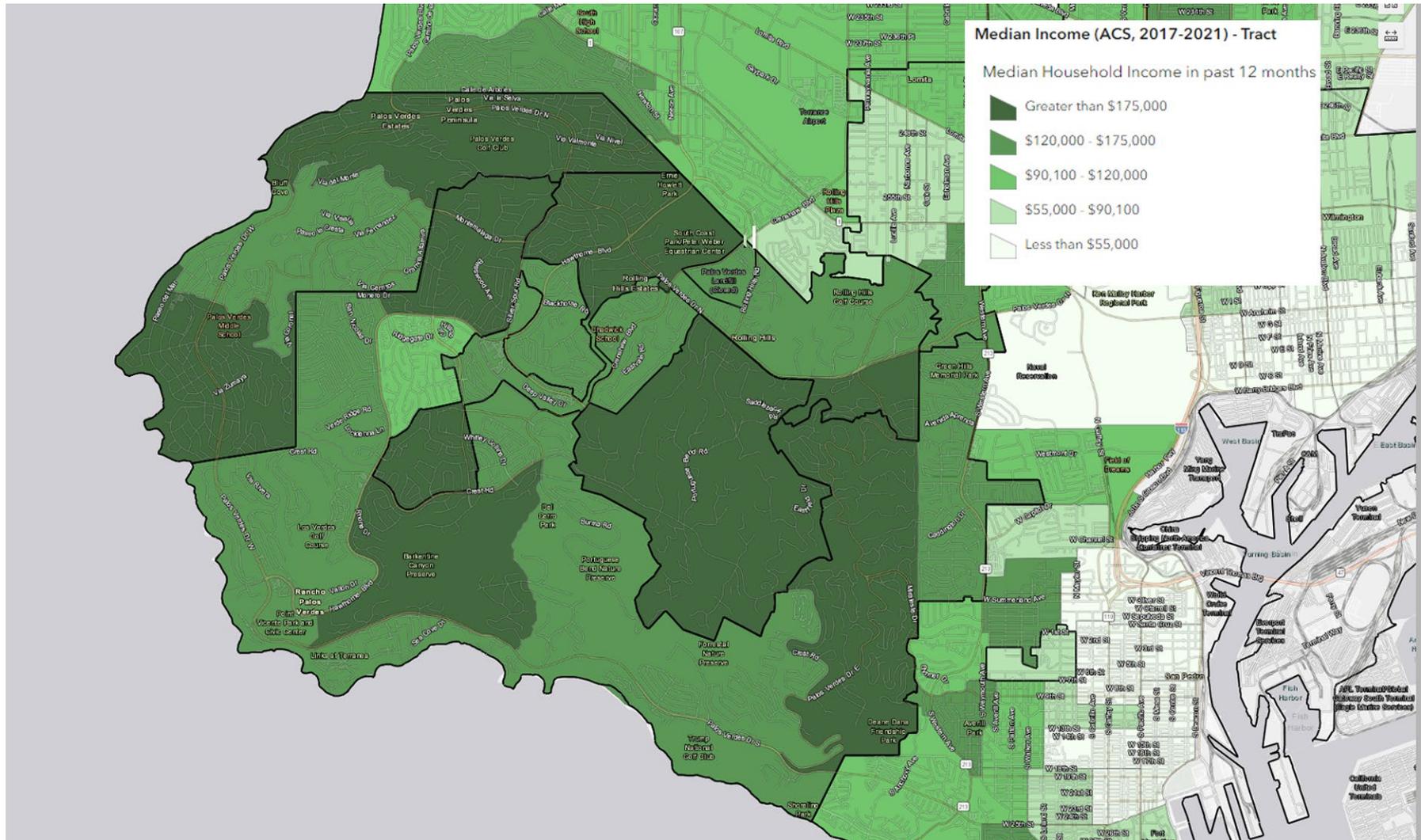
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-6
Low to Moderate Income Population – Palos Verdes Estates



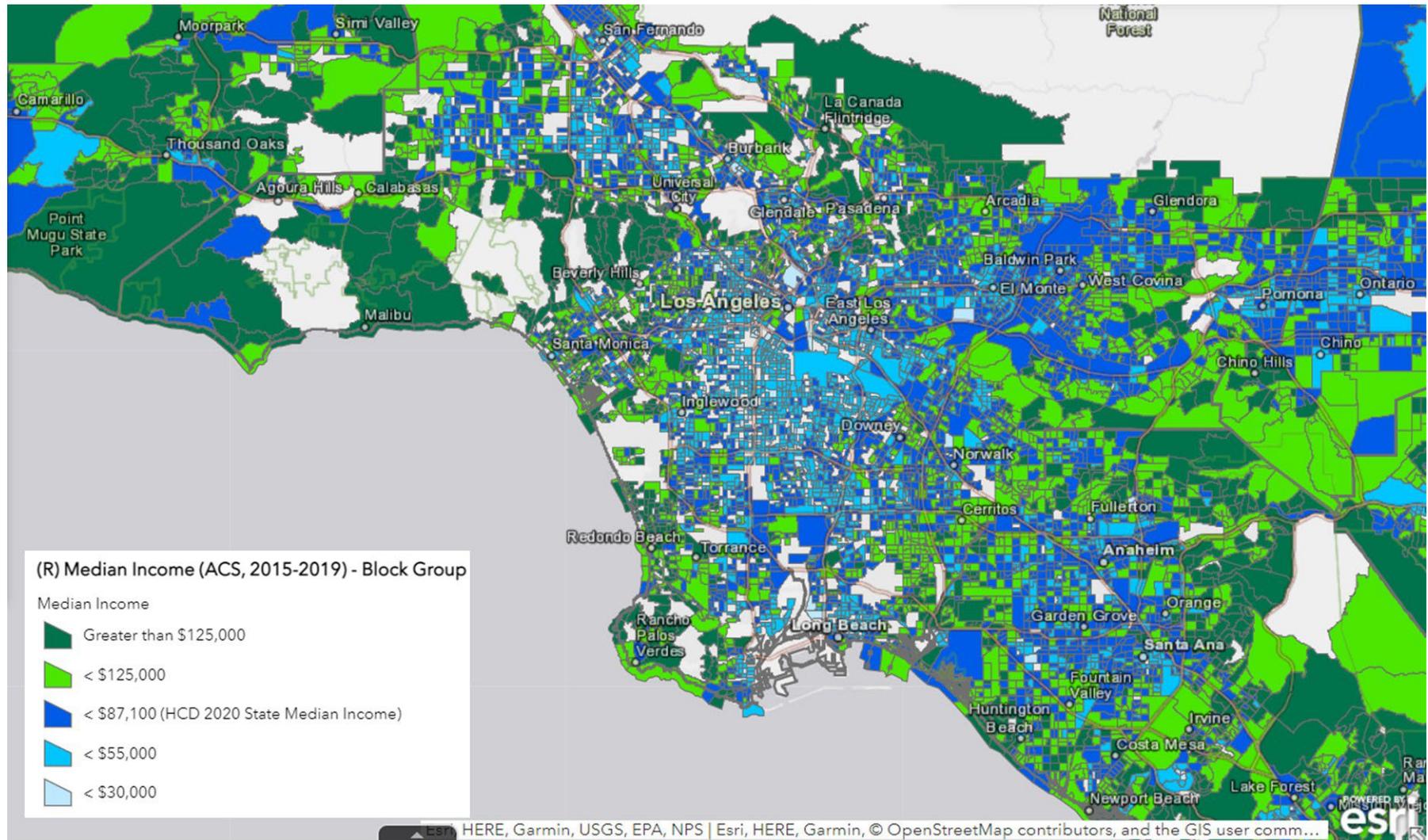
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

**Figure E-7
Median Income – Palos Verdes Estates**



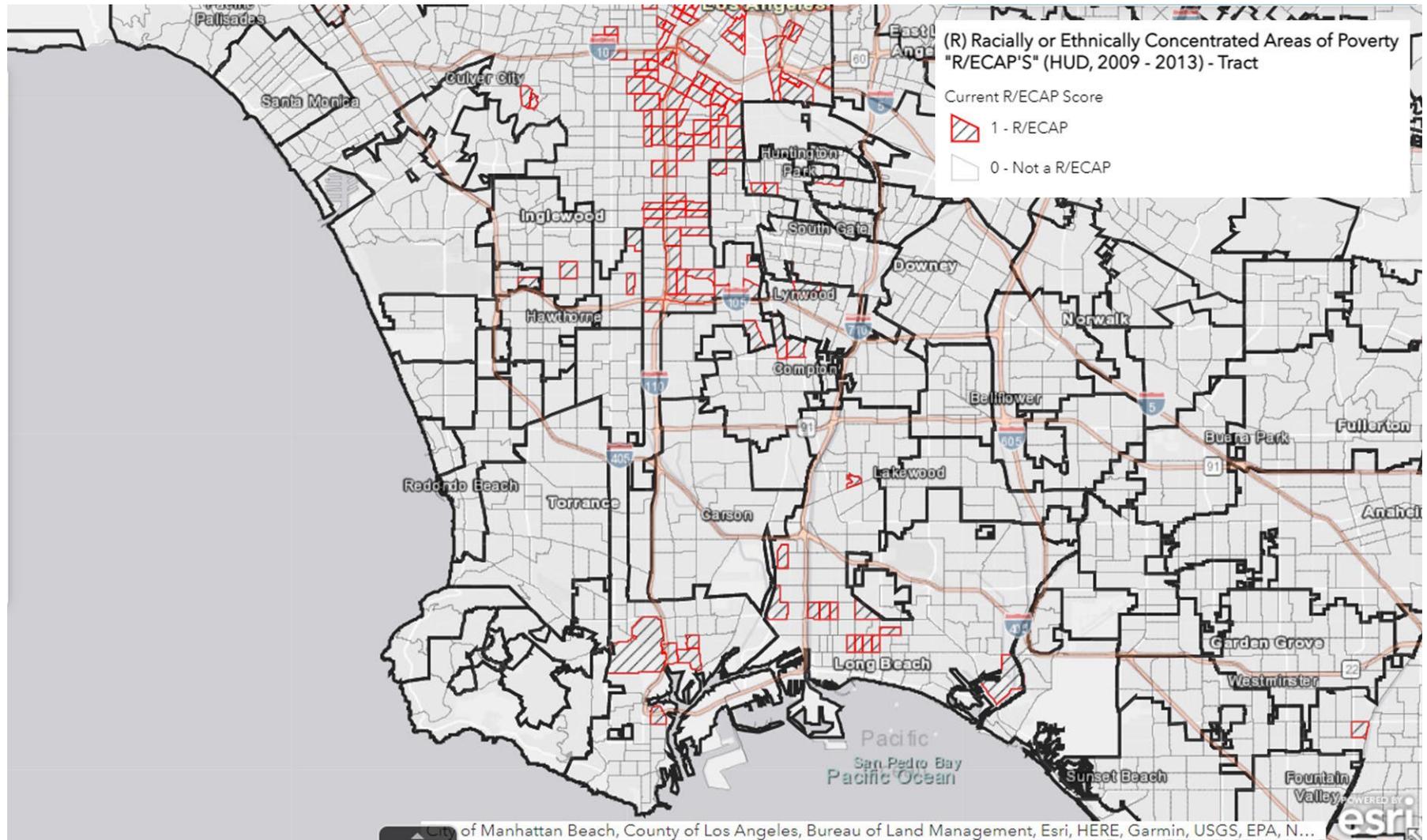
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2024

Figure E-8
Income in Greater Los Angeles Area



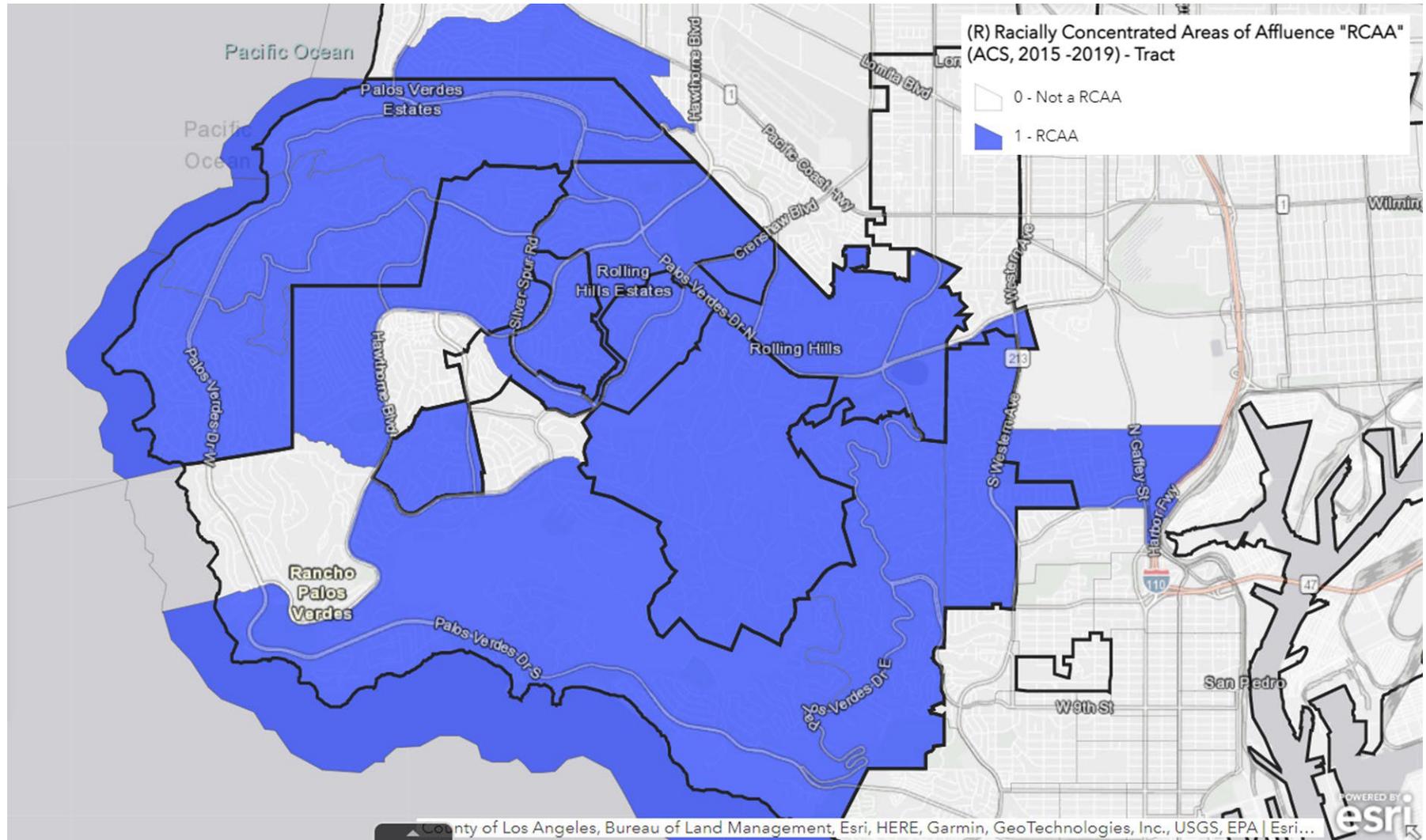
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-9
Racially or Ethnically Concentrated Areas of Poverty – Palos Verdes Estates



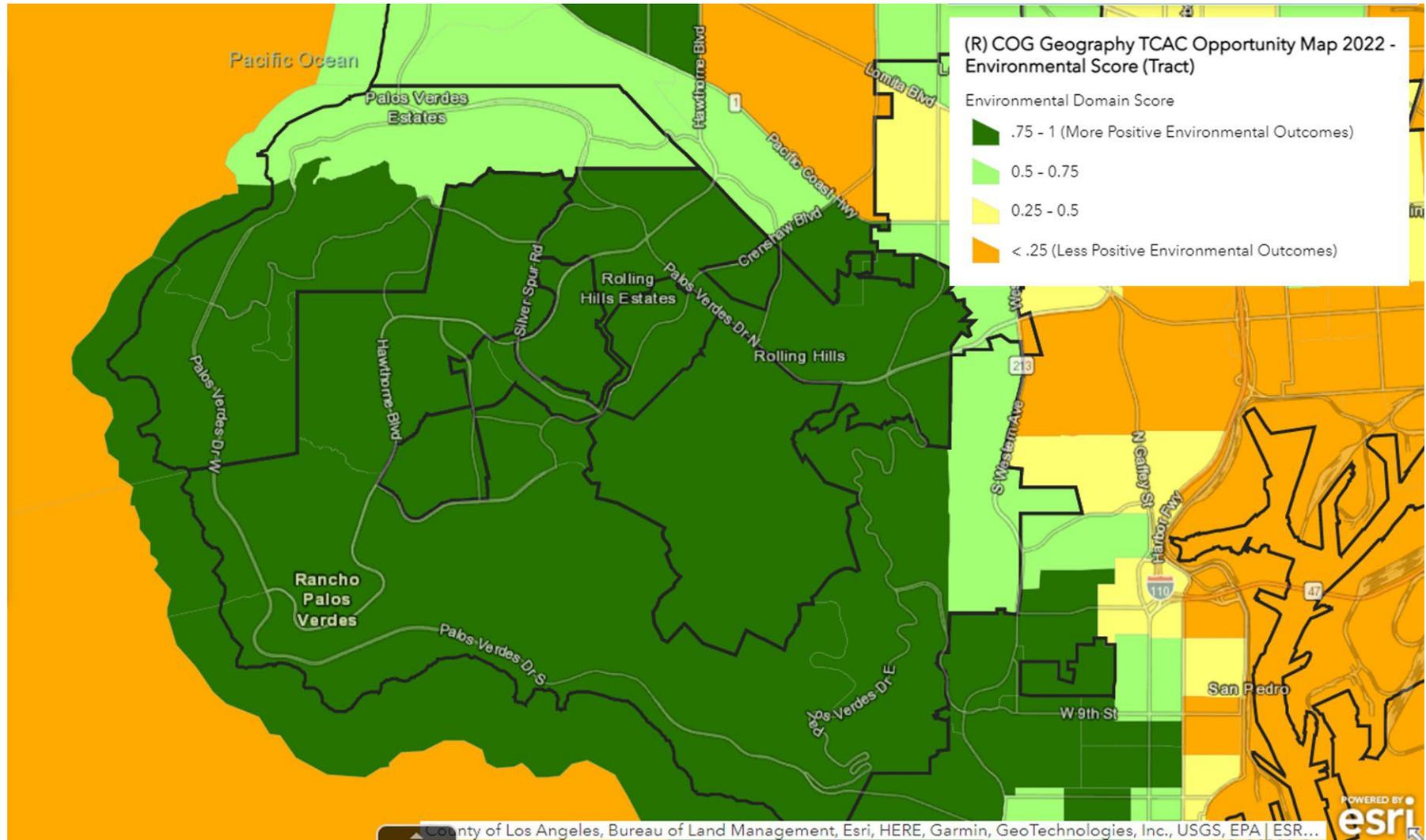
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-10
Racially Concentrated Areas of Affluence – Palos Verdes Estates



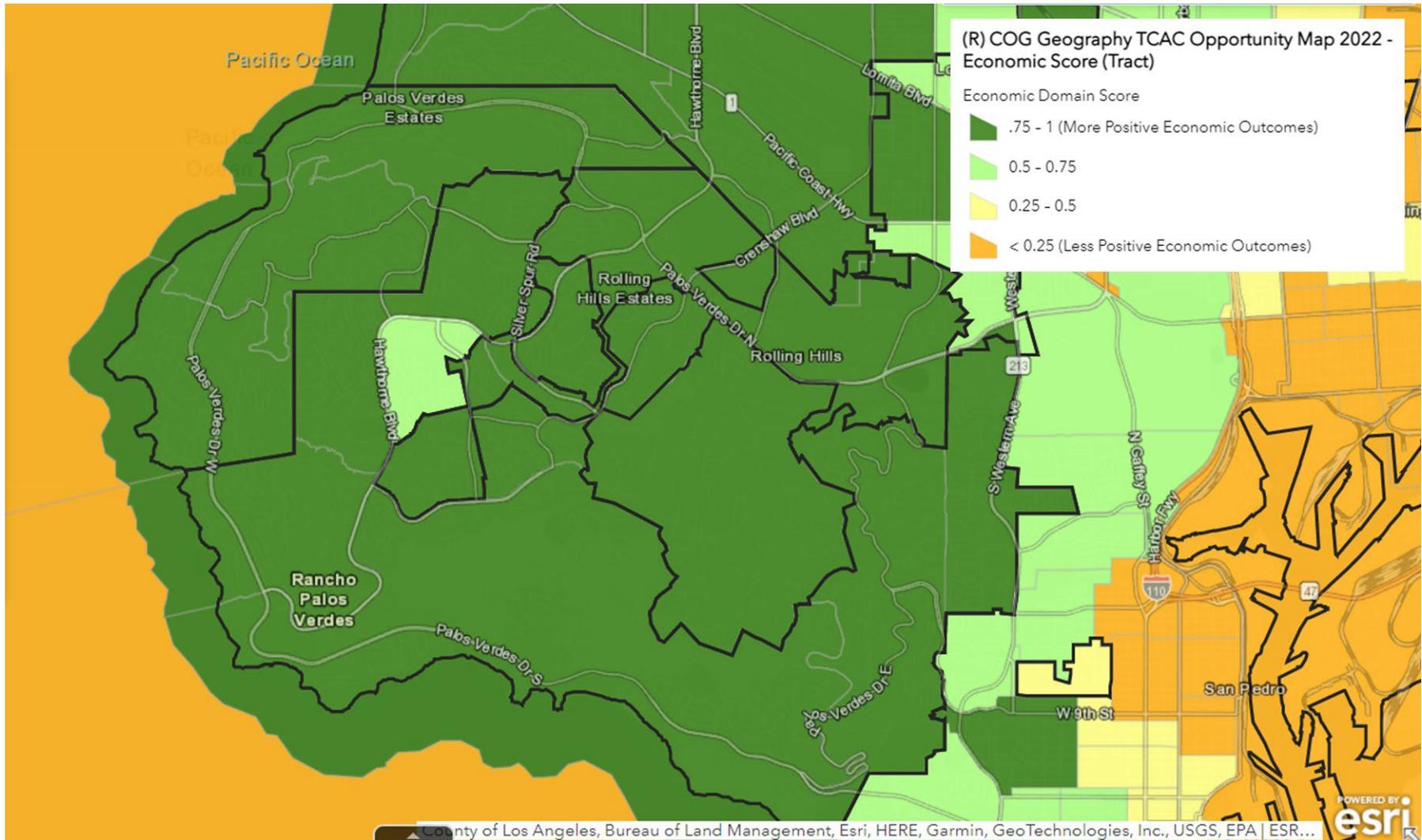
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-11
TCAC Opportunity Map, Environmental Score – Palos Verdes Estates



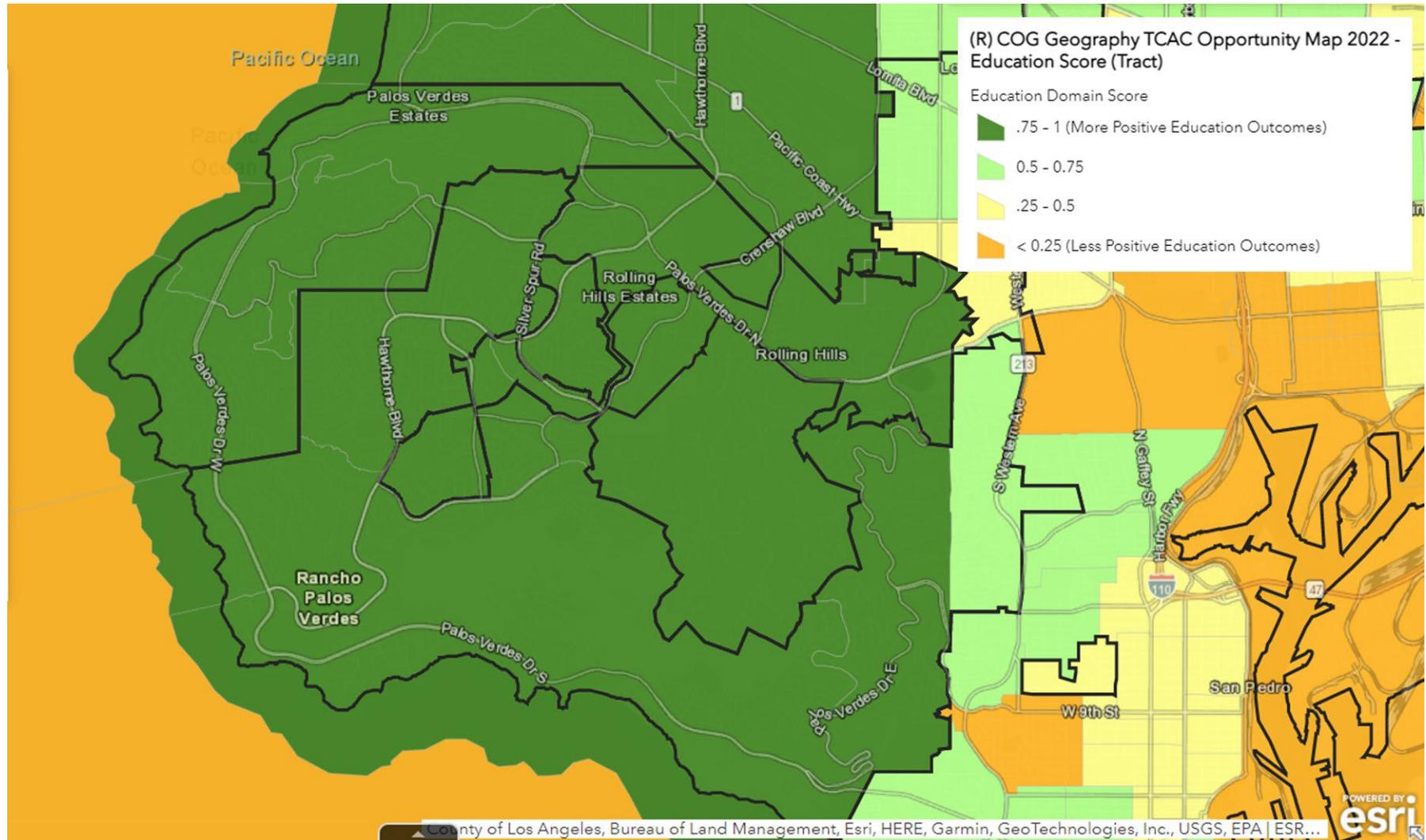
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-12
TCAC Opportunity Map, Economic Score – Palos Verdes Estates



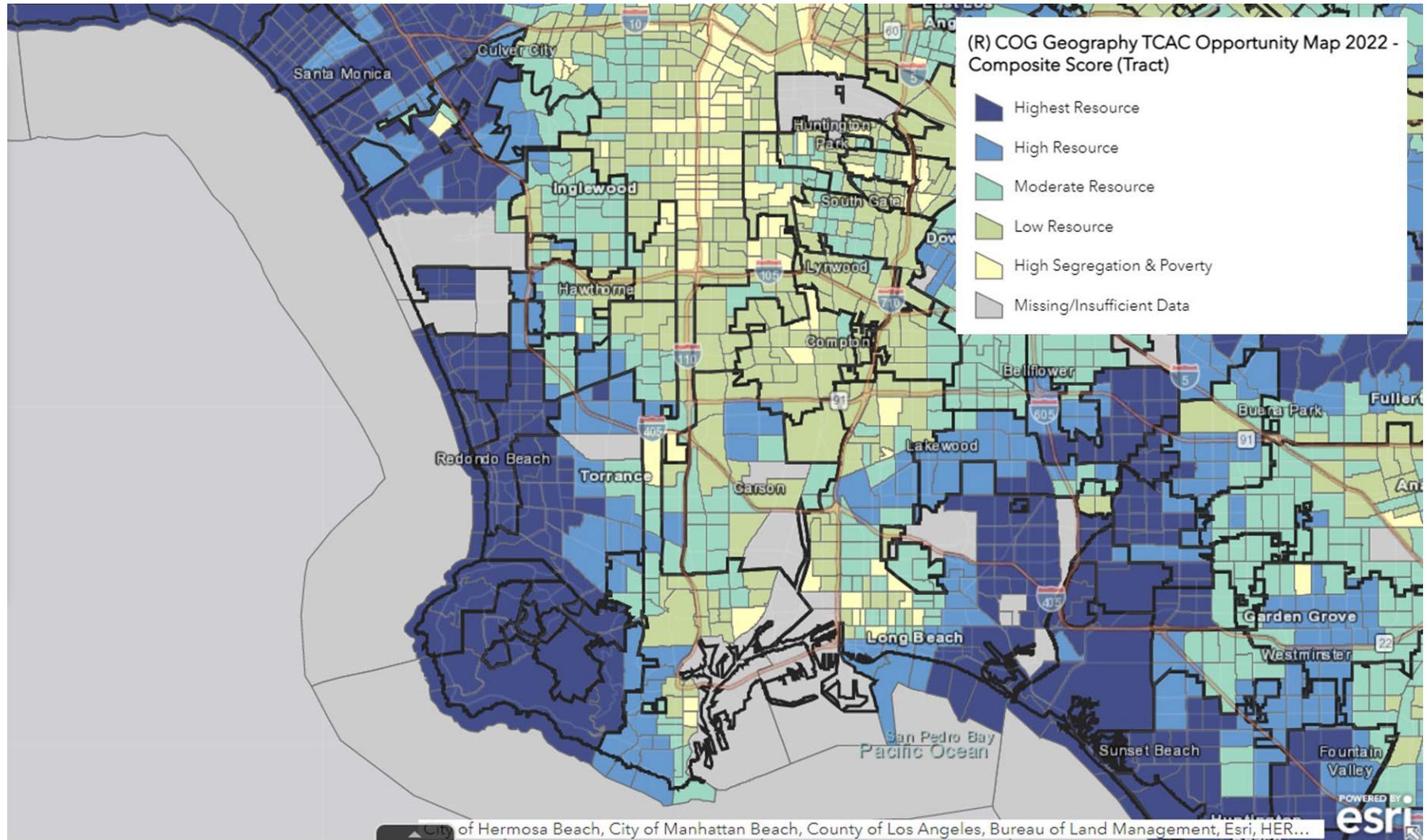
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-10
TCAC Opportunity Map, Education Score – Palos Verdes Estates



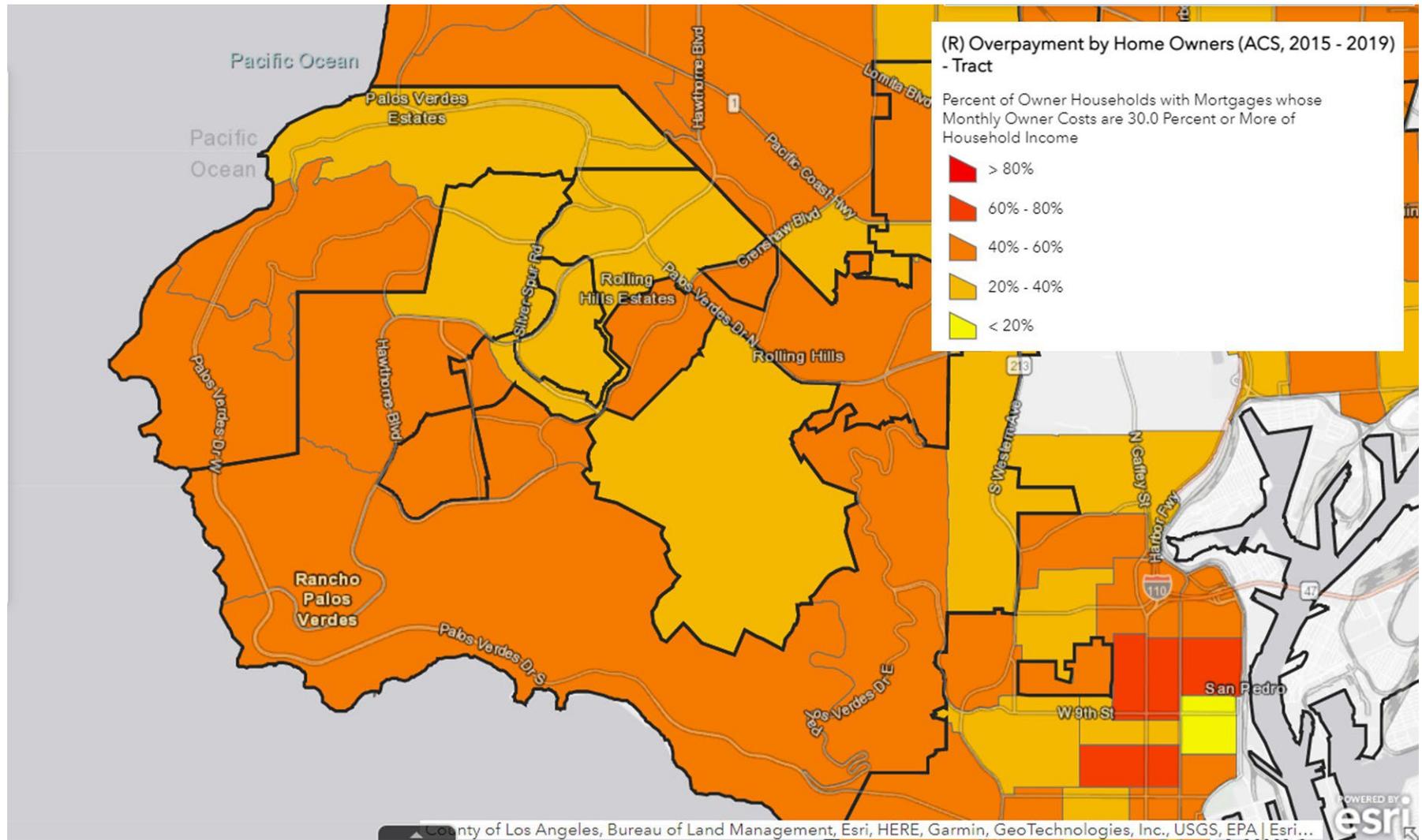
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-14
Composite Opportunity Map – Palos Verdes Estates



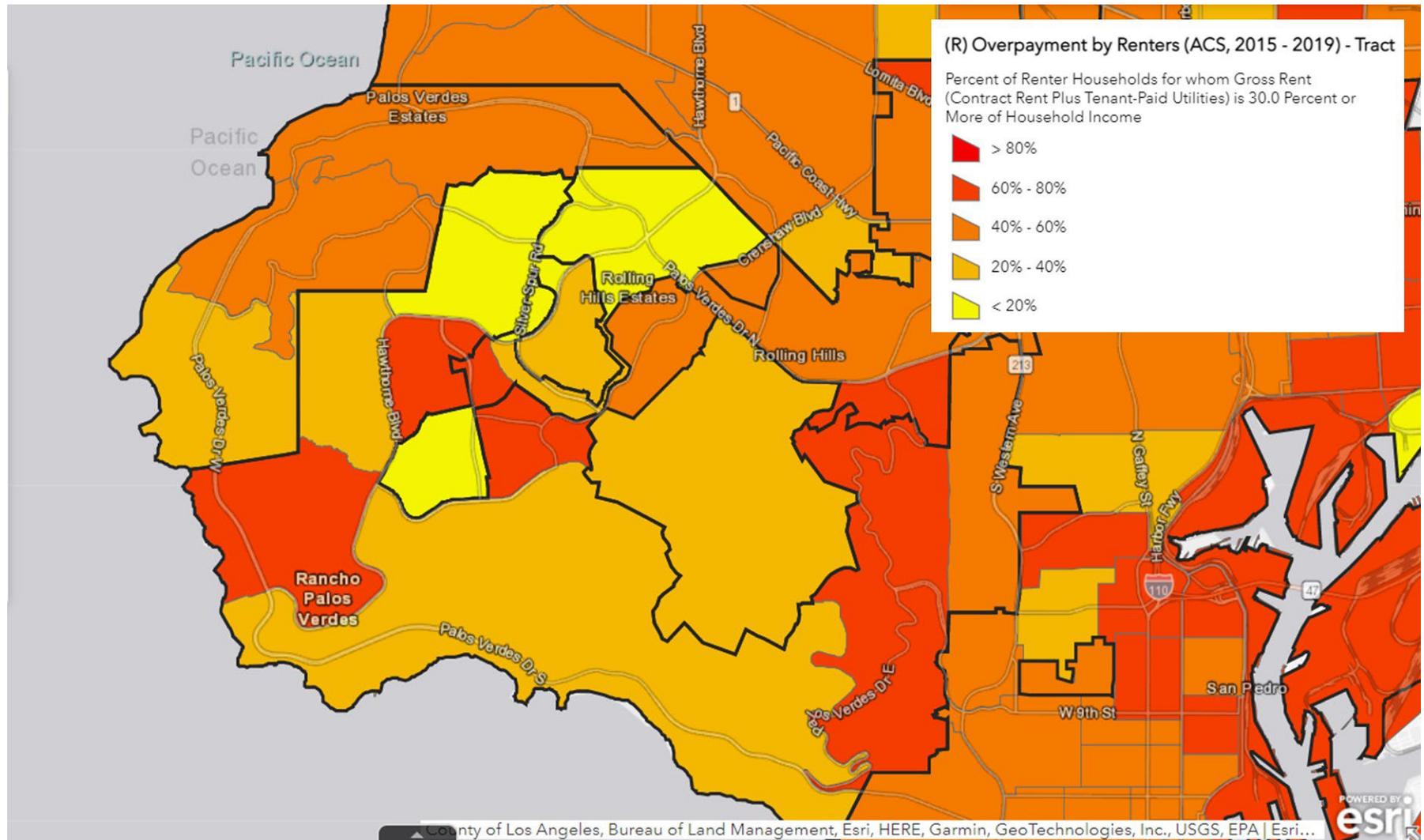
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-15
Cost Burdened Home Owners – Palos Verdes Estates



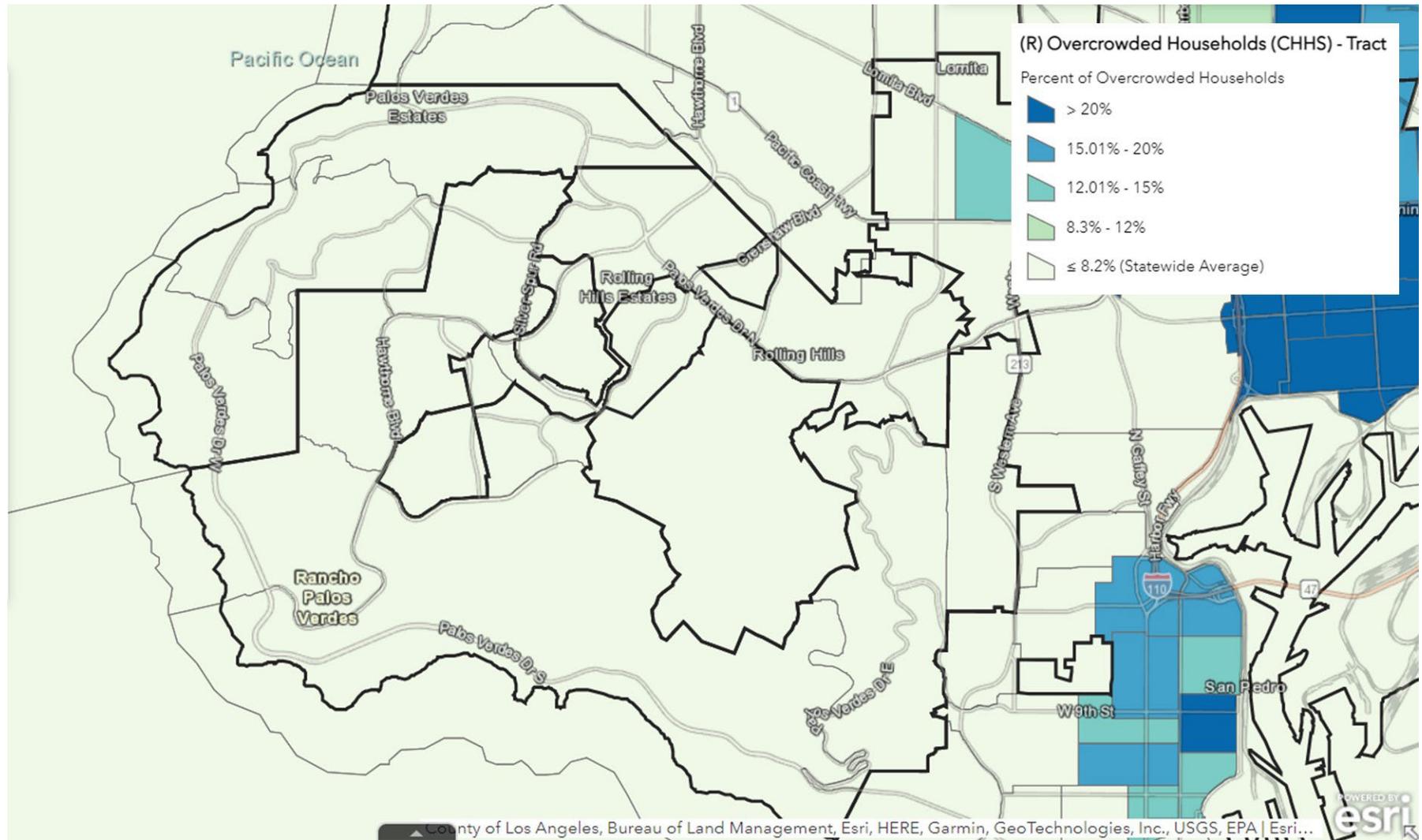
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-16
Cost Burdened Renters – Palos Verdes Estates



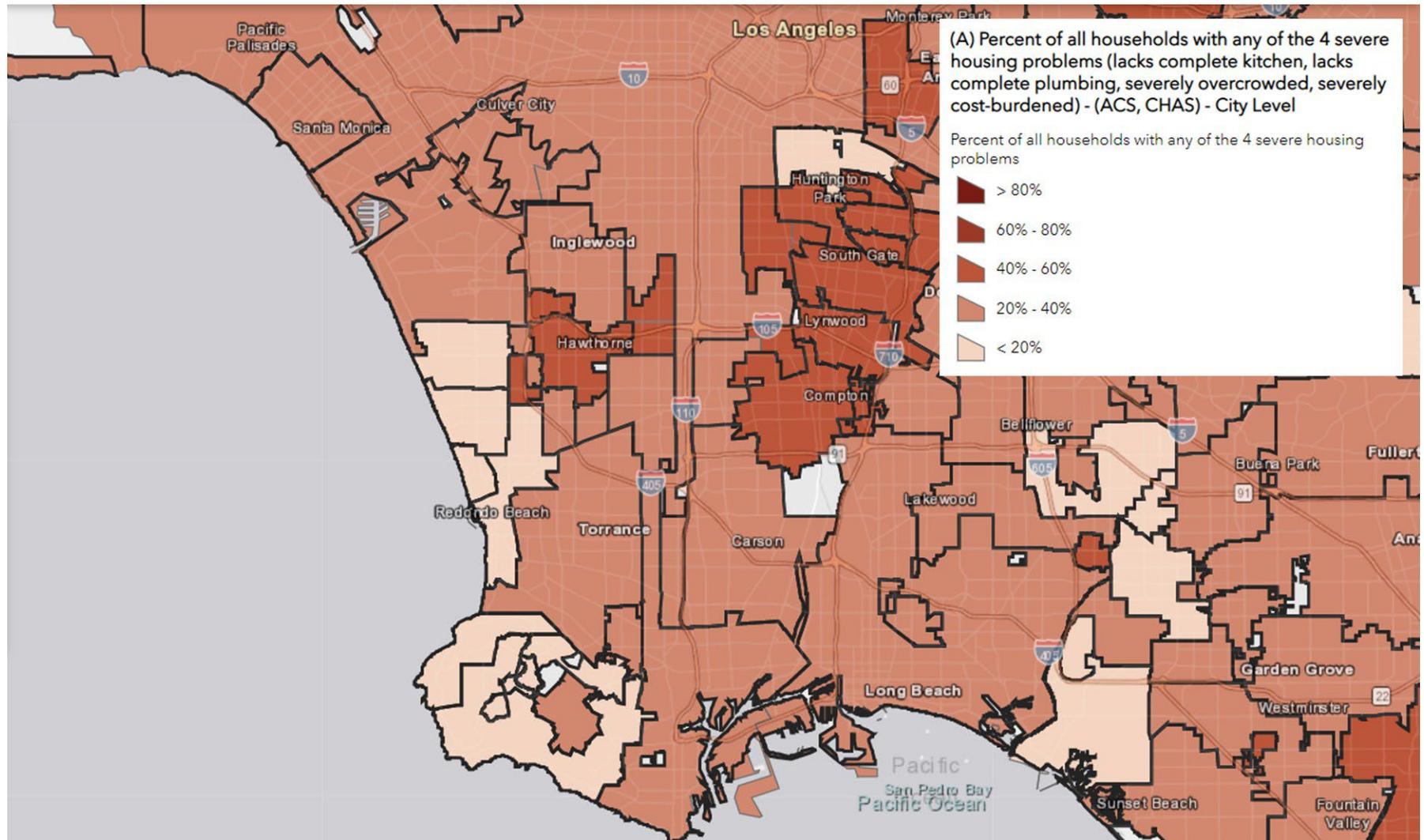
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-17
Overcrowded Households – Palos Verdes Estates



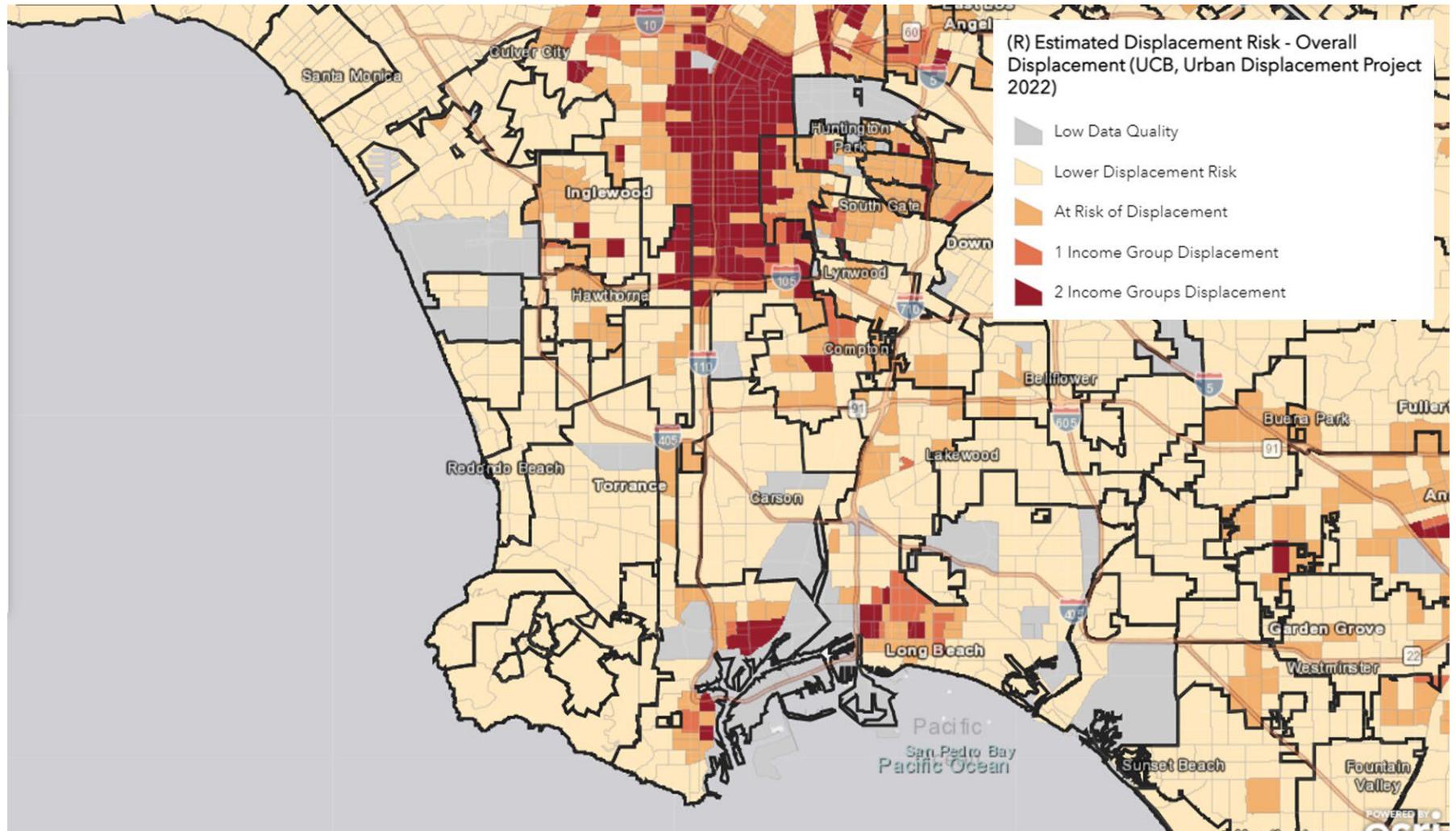
Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-18
Households with one or more Severe Housing Problems



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Figure E-19
Communities sensitive to Displacement



Source: California Department of Housing and Community Development, AFFH Data Viewer, 2022

Development, AFFH Data Viewer, 2022

APPENDIX F

Accessory Dwelling Unit Survey Findings

State law requires Palos Verdes Estates to provide for its “fair share” of the region’s housing needs, including low- and very low-income households. The construction of Accessory Dwelling Units (ADUs) can meet a significant portion of the City's State-mandated housing allocation. This would minimize the need for rezoning or increasing the number of units in the Mixed-Use Overlay Zone. To effectively solicit feedback from the entire community, the City conducted an ADU survey to evaluate opportunities for ADUs and the community's opinions towards them. This online survey was live between March 17, 2023, and May 15, 2023. The City notified residents of this survey through mail and made the survey available at the public planning counter.

The City received 346 responses. Responses to the survey were anonymous and respondents were asked not to provide their names or addresses. To limit multiple responses from individuals, respondents were limited to one response per electronic device. These results have been used to gain an understanding of the community’s interest in ADUs and guided the City’s development of ADU programs for the City of Palos Verdes Estates Housing Element Update.

A. Demographic of Respondents

The first question asks respondents to indicate how they are associated with the City of Palos Verdes Estates. Respondents could choose between living in the city, working in the city, both living and working in the city or neither. In general, the majority of respondents live in the City, with 89% of respondents living in the city and 8% of respondents living and working in the City. Only one respondent worked in the city and eight of respondents neither lived nor worked in the City.

B. ADU + Size and Condition + Use

Respondents were asked if they have an existing ADU on the property and gauged their interest in constructing one. Respondents were able to respond with “Yes”, “No, but we have a secondary building that meets the definition of an ADU”, “No, but we would like to build an ADU”, or “No, we do not want an ADU”. 335 of the 346 respondents answered this question. Of those that answered, 2% have an ADU, 3% have a secondary building such as a guesthouse or pool house, 20% do not have an ADU but would like to have one and 75% do not have an ADU and do not want one. While the majority of respondents do not have or want an ADU, about 25% of respondents have or want an ADU.

Respondents were asked about the approximate size, bedroom count, and condition of existing properties ADU. Six respondents described the size of their ADU or secondary building that meets the definition of an ADU, ranging from 400 sf studios to 1,000 sf two-bedroom units. All units that listed the condition noted that the unit was in excellent condition or new.

Respondents were also asked about the current use of their ADU or secondary building on their property. None of the respondents rent to a paying tenant and, as noted above, the majority of them do not have an ADU. However, two respondents answered that their ADU or secondary building is occupied by a long-term resident that does not pay rent and nine respondents use their ADU as a guesthouse for visitors. Respondents were given the opportunity to provide more information on what their spaces were used

for, and answers ranged from a workspace such as an art studio, a place to complete chores, a recreational space, and storage.

C. Deed Restriction / Restricting Rent on ADUS

The survey asked respondents what the monthly rent was for their ADU. However, as noted above, no respondents rented their ADU or secondary building to a paying tenant.

The survey asked respondents if they would consider a deed restriction that limits rent on an ADU to help the City meet its State-mandated affordability requirement. Respondents were given the option to respond “no”, “need more information”, “yes, if it doesn’t impact my property when I sell it”, “Do not have an ADU” and agree to consider a deed restriction based on a limited terms for the affordability requirement. Limited term options included a 5-year term, 10-year term, 20 year term or a deed restriction until the sale of the property. Respondents were allowed to select multiple options. 114 respondents answered, “Do not have an ADU” and did not provide more information regarding deed restrictions. Of the remaining 159 responses, approximately 50% of the respondents answered “No” to the deed restriction but eight of these respondents (10%) also asked for more information. About 20% of respondents answered “yes, if it doesn’t impact my property when I sell it” and 9%, 1%, and 4% would support a 5-year deed restriction, 10 year deed restriction, and 20 year deed restriction respectively. Approximately 37% of respondents requested additional information.

The responses suggest the potential impact to property value long term are not favorable and that residents want flexible arrangements that do not impact the resale value of their home. In addition, many residents would like more information on deed restrictions for ADUs, regardless of whether they support or do not support a deed restriction.

D. ADU Constraints and Incentives

Respondents that were interested in constructing an ADU were asked to rate constraints to constructing an ADU and were given the option to provide a free response to additional constraints. 331 of the 346 respondents answered this question. 67% of the votes indicated that the question was not applicable, the high number of respondents that do not want an ADU. “Viable locations on the lot” received 16% of the votes, “Permit cost” received 11% of the votes, “Design and construction cost” received 17% of the votes and “Property taxes received 15% of the votes. In the free response section, respondents listed various constraints including inadequate infrastructure and narrow streets, opposition from neighbors, ADU and Fire District requirements, HOA approvals and the lack of approved plans as other constraints.

Viable locations on a property is one of the larger constraints to property owners which is consistent with the strict design standards set by the PVHA and the deed restrictions that require open space on private property. However, design and construction costs, and property tax implications received a similar amount of votes, and permit costs received slightly fewer votes. The City is able to address some of the constraints by coordinating with outside agencies on the approval process and adopting approved plans. In addition, to make an ADU rent restriction more attractive to residents, the City could offer further incentives. For example, the City could reduce ADU permit fees for a rent restricted ADU.

E. Public Opinion of ADUs

Question 8 allowed for respondents to provide any comments or feedback regarding ADUs. 197 respondents provided some sort of comment in response to this question.

Given the wide range of responses, the City categorized the responses into three categories: (1) Support ADU or Support ADU with Conditions, (2) Do not support ADUs, and (3) Neutral, general questions, unrelated to ADUs, or no response. Approximately 19% of respondents answered that they support ADUs or would support ADUs with a condition such as prohibiting short term rentals, limiting maximum rent, requiring off street parking, requiring an owner to occupy the main residence, limiting maximum size, and more. 45% of respondents provided a negative response to ADUs or do not support ADUs. 36% of respondents provided neutral responses such as asking a question instead of giving positive or negative feedback regarding ADUs.

F. ADU Survey

Please see the following pages for the ADU survey and notice.

Dear Palos Verdes Estates Resident,

The City requests a few minutes of your time to complete a survey regarding Accessory Dwelling Units (ADUs) in Palos Verdes Estates. Your response will assist the City in understanding community goals and concerns. All responses will remain anonymous; please do not include your name or address on the survey.

The survey is available online:

www.menti.com Code 6638 6060.

The City must determine the community’s level of interest in ADUs and assess the potential for ADUs to meet local housing needs. State law requires Palos Verdes Estates to provide for its “fair share” of the region’s housing needs, including low- and very low-income households. ADUs is one solution for providing this housing without significantly changing the character or appearance of the community.

Please provide your survey response by May 15, 2023.

Thank you,

The City of Palos Verdes Estates



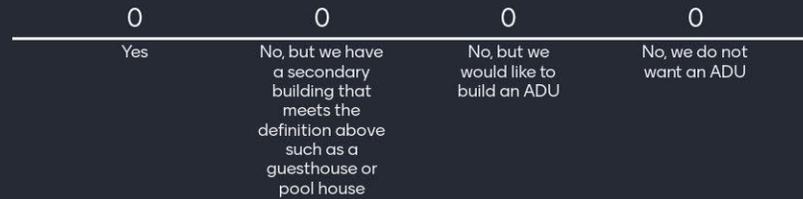
Do you live and/or work in Palos Verdes Estates?

0	0	0	0
Yes, live in the city	Yes, commute to work in the city	Yes, both live and work in the city	No, neither live or work in the City





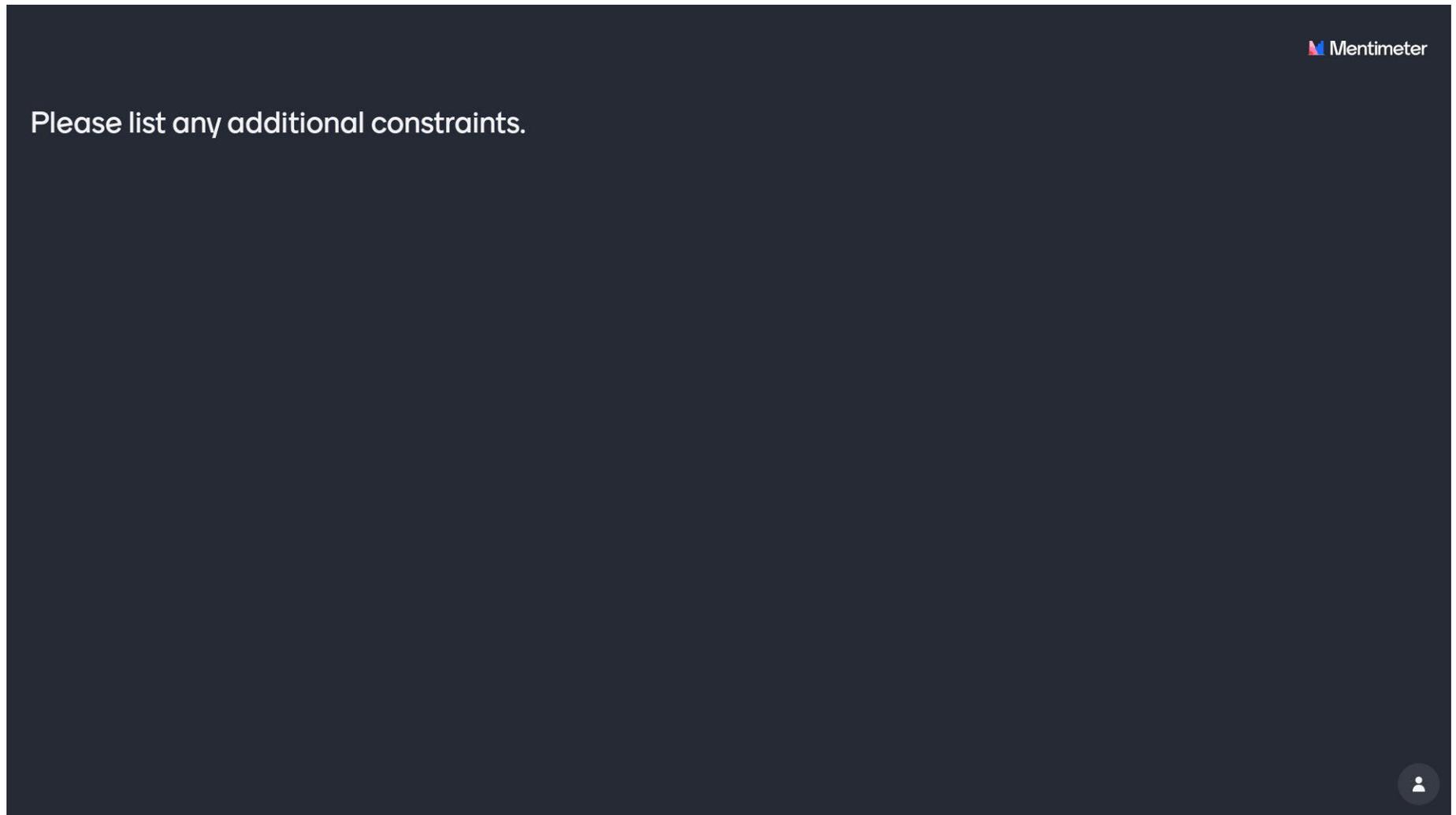
Do you have an existing ADU on your property?





If you are interested in constructing an ADU but are facing constraints, which constraints are the most impactful?







If you currently have an ADU, what is its approximate size (square footage and bedroom count) and condition (poor, fair, good, new)?





What is your ADU or secondary building currently used for?

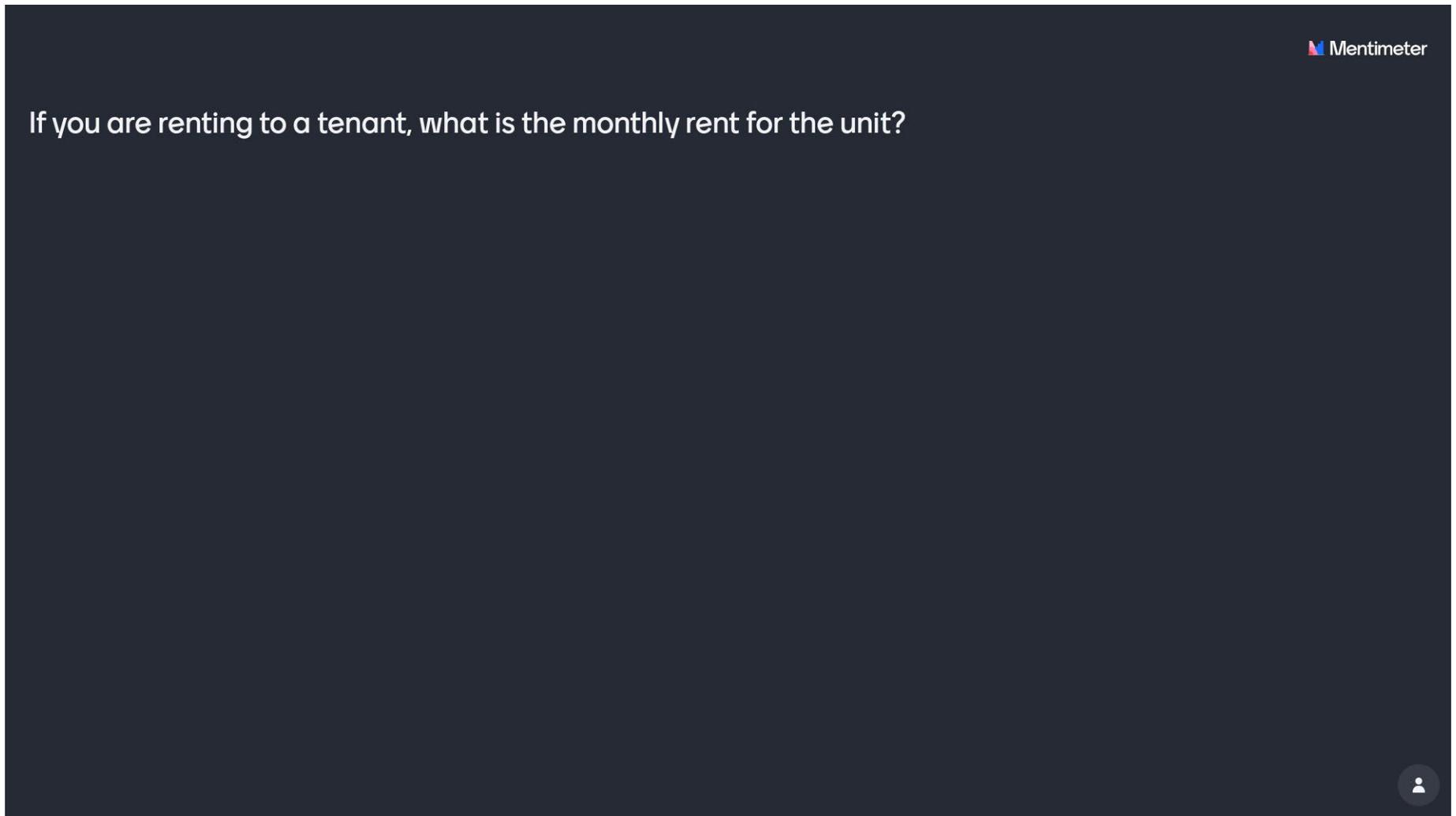
0%	0%	0%	0%	0%
Renting to a paying tenant (including family and estate employees)	Any other long-term resident (including family and estate employees)	Guesthouse for visitors	Do not have an ADU or secondary building	Other





If you selected "Other", please describe what the ADU or Secondary building is used for.







Would you consider a deed restriction that limits rent to help the City meet its State-mandated affordability requirement?

